

# 5 signs that your data is letting you down... and actions to turn things around

**Reliable and timely data** is at the heart of your organization's success – particularly when you have multiple business units, offer several product lines, operate across geographical borders, and are expected to achieve significant growth rates. However, the more complex your organization, the more difficult it is to gather and analyze the data you need to generate accurate financial reports, forecasts, budgets, and long-term strategic plans.

**The good news:** to address today's most common business pains, you can take specific actions to integrate financial data and operational data – which gives you the power to build longer-term strategic plans, improve company decisions, and achieve better results for your business.



## The pain your business feels

Your finance team spends the majority of their time gathering and cleaning data from across your company, rather than deriving insights from the data to help improve top line or bottom line efficiencies.

## The underlying problem

The company is too reliant on manipulating data held in spreadsheets and lacks the means to automate routine financial and/or operational planning processes. As a result, the finance team is unable to help the company beyond generating reports and contributing to the annual budget.

## Corrective action

Conduct a review of Corporate Performance Management (CPM) software solutions that are: 1) designed to streamline and automate financial processes; 2) built to analyze large amounts of data; and 3) able to improve decision making by integrating financial planning, operational planning, and strategic long-term planning.

# 1



## The pain your business feels

Because your company is targeting rapid growth, you have restructured your organization, introduced new work processes, and/or redeployed members of your workforce. Unfortunately, this has resulted in an unexpected drop in productivity, reduction in market reputation, or losses in long-term profitability.

## The underlying problem

Your executive team lacks the data required to determine how to best reorganize your operations for growth. At the same time, your executive team is unable to accurately assess the feasibility and impact of acquiring and integrating new businesses into existing operations. Furthermore, a lack of timely data makes it unclear with whom to establish effective partnerships and alliances.

## Corrective action

Leverage financial and operational data from across your company to conduct a variety of 'what if' analyses to weigh the impact of different partnering and ownership scenarios.



## The pain your business feels

Your competitors are taking away long-standing customers that you thought were secure. At the same time, customer acquisition costs are increasing. As a result, your current market share is eroding.

## The underlying problem

The price of your products and services are out-of-step with your customers' changing expectations and demands. You need data from across your organization (i.e. beyond 'silos', departments, and business units) to accurately pinpoint your product costs and identify ways to lower them while maintaining profit margins.

## Corrective action

Calculate overhead costs related to your different divisions and determine the amounts that should be allocated to each job hour or unit of production. Include allocation of employee wages and benefits (i.e., vacation time, insurance, education, and training) to help determine your actual costs and outline the rates you should charge.

# 3



## The pain your business feels

There are several costly, conflicting, and uncoordinated initiatives underway across your organization – each focused on developing and rolling-out different products/services.

## The underlying problem

Your company is unable to pinpoint why your products, or those of your competitors, are selling well. By extension, it is unclear if/when your products will be profitable. That means you are working with incomplete data to determine which products merit further investment or which products need to be retired. Without accurate sales data and operational data, your company's ability to create reliable budgets or future-focused plans is severely hampered.

## Corrective action

Take advantage of operational reporting and forecasting that allows you to see your organization's performance evolve in 'real-time'. This clear line-of-site increases the transparency across product offerings, business units, and geographic regions so that you can plan for product innovation across your company.

# 4



## The pain your business feels

Your company is looking to expand into new regions and countries. However, you are struggling to meet the staffing levels needed to achieve your future growth targets.

## The underlying problem

Your company lacks the ability to make timely staffing decisions because you have incomplete data regarding the costs associated with full-time, part-time, and temporary positions.

## Corrective action

Calculate payrolls by integrating quantitative personnel assumptions (e.g., years of tenure, start dates, and promotion dates) and qualitative personnel assumptions (e.g. payroll grade, family status, and job position). Determine actual employee costs by accounting for key variables such as taxes, benefits, transfers, position changes, restructuring, commission, bonuses, and incentives. Integrating this information allows your hiring managers and executives to weigh the impact of varying headcount levels on overall profits and losses – across all of your operations' locations.

# About Prophix

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