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Dear Colleagues,

FSN's Innovation in the Finance Function Survey 2018 is one of the largest surveys of its kind covering responses from more than 1,000 senior finance professionals worldwide. It is the first time that there has been an in-depth study of attitudes to innovation in the finance function and it reveals startling insights about the appetite for finance innovation, including the impact of culture, attitudes to risk, organizational politics, style of project investment and levels of confidence in measuring return on investment. (You can download a free copy of the full report and analysis [here](#)).

The research shows unequivocally a strong link between innovation and performance. Those organizations that are early adopters of technology or invest in innovation in a balanced way across the enterprise outperform organizations that are diffident and risk averse. These leading finance functions close their books faster, produce more accurate financial forecasts and are less tied to legacy systems and traditional ways of working.

Regional differences, especially between economically advanced and developing nations, colors attitudes to where investment is most needed in the finance function. Nevertheless, wherever finance professionals reside and no matter how sophisticated their investment plans, all agree that the number one priority for innovation is around the need for better business insight.

Yet earlier FSN research, (The Future of the Finance Function 2017) highlighted that only 6% of CFOs understand the technologies available to them. Only 37% know what solutions are available in the market and only 25% of CFOs have the time to investigate opportunities for technology innovation. Determining the innovations that will help companies achieve better business insights is the first step on their journey.

With this in mind, FSN has created the “Innovation Showcase”, an opportunity to bring to the attention of hard-pressed finance professionals what we consider to be leading innovations in core finance processes that could materially improve the way you work both now and in the future. Our work this year covers ten leading vendors and, in this document, we showcase the work of BOARD Software, a leading provider of a Decision-Making Platform which unifies BI, planning and analytics.

We hope that you find the innovations set out in this document thought-provoking and interesting. But above all we hope that the contents will inspire you to explore innovation in your own organization and discuss with colleagues how you can leverage these developments to take your finance processes to the next level.

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## **THE BOARD SOFTWARE INNOVATION SHOWCASE**

BOARD's entry into the global corporate performance management (CPM) and business intelligence software market almost 25 years ago heralded a new and innovative approach to business software – something that may even have been described as 'disruptive' if that term had been popularized in 1994. But it hasn't stopped there. Even today, BOARD continues to be at the forefront of disruptive technologies such as predictive analytics, search based analytics, self-service and next-generation collaboration.

At a time when global software providers were assembling CPM offerings through a frenzy of company and product acquisitions, BOARD brought a fresh approach to the sector. Rather than acquire a series of products from different stables that were destined never to work seamlessly together, BOARD developed a unified product from the ground up which would meet the corporate reporting, budgeting, planning and forecasting needs of large multinational organizations.

It's an approach that has stood the test of time. In an ever more complex world marked by exponential growth in data volumes, BOARD continues to offer disruptive new features in response, and smart CFOs appreciate a single product environment which unifies business intelligence, performance management, analytics and data discovery in one place.

In this showcase we highlight three major BOARD innovations, namely; its holistic design, machine learning for predictive forecasting and analysis, and finally, a leading approach to embedded communications.

## **Innovation 1: A holistic approach to decision-making**

Almost three decades after the first CPM solutions appeared in the market many finance functions are still struggling with the basics of reporting. For more than 85% of finance professionals, finance process standardization and automation remain a very high priority (FSN Future of the Finance Function Research 2016).

There are two major fault lines in the financial reporting process. Firstly, the process itself is fractured, and secondly, the data which is supposed to support the process is fragmented and siloed in different functional areas.

It's a view supported by several FSN studies. The Future of Financial Reporting survey identified that 40% of finance functions say their data is not always trustworthy and accurate, and 69% of CFOs rely on spreadsheets to plaster over gaps in their reporting process. Two thirds admit they are struggling to master the variety and volume of new business data and 58% concede that valuable data is scattered across the organization. Finally, almost half (48%) say other functions are not good at sharing data with finance.

BOARD's innovation is relatively uncontested in the market as few software vendors offer a holistic approach to performance management. At the core of BOARD's decision-making platform is a single unified environment in which all the performance management applications share the same data and metadata (structural information such as account codes, organizational hierarchy, cost centers). This is not only essential for preventing wasteful duplication of data, but it also ensures the integrity of the underlying data, i.e. consistency of information across business processes and in all reporting dimensions.

Workflows also span the entire process, and unlike much of the corporate reporting landscape, BOARD users can dip into their reporting processes and underlying data in real-time. Nobody has to wait until month end to get visibility of performance, which is crucial in fast moving markets.

The unified platform ensures easier reporting and greater staff productivity, providing a sound foundation for decision making by linking strategic, operational and financial plans and metrics. Of course, navigating such large volumes of data requires user-oriented tools that allow data to be explored and sifted by finance professionals, and data visualization techniques that readily lend themselves to discovery of issues and trends. Using BOARD's navigation tools, the finance function can follow information uninterrupted from an enterprise-wide view of operational performance at the top, right down to individual reporting units and functions in any part of the organization in real-time.

*Innovation 1: A holistic approach to decision-making*

However, innovation through new software presents its own set of risks, including project failure. BOARD seeks to reduce this risk with fast prototyping using a Proof of Concept (POC) approach. It reduces the risk of a 'bad fit' by assisting purchasers to understand and assess the value of a potential solution and the organization behind it. A POC is a form of prototyping a trial application – a close approximation to the final deliverable, but without the finishing touches. It helps to ensure that what is discussed in a pre-sales environment ends up being delivered in the final product.

The POC style of development is most powerful when it is combined with a product that can be rapidly modeled, developed and changed as the requirements develop. BOARD's innovative toolkit approach to application development means that solutions can be built very quickly without having to call on IT specialists.

Not all Proof of Concept systems are transformed into the final application. The Proof of Concept is of course conceptual- a journey of discovery and almost by definition iterative in design. But well executed, a POC is an innovative way of delivering a high level of confidence in the development of a CPM system without taking unnecessary risks.

Like all the best innovations and ideas, the simplest is often the best. Even today, only 61% of CFOs say that the BOARD always has a complete view of business performance, and only 50% say that ad-hoc questions about performance can usually be answered immediately in a BOARD meeting (FSN Future of Financial Reporting 2017 research). The productive effect of a unified environment that enables complete visibility and confident decision-making across the organization is a powerful business tool. It is as innovative today as it was all those years ago.



## **Innovation 2: Automated machine learning for predictive forecasting and analysis**

Capturing more business insight is top of mind for CFOs and interest in predictive analytics as a way to improve the speed and quality of business forecasts is at an all-time high. FSN's research "Innovation in the Finance Function" 2018 identifies that globally, the number one priority for CFOs is to deliver more business insight.

But in this rapidly developing field many finance professionals have struggled to find suitable solutions and others have been concerned that finance functions need to engage data scientists or advanced statisticians to take analytics to the next level.

Recognizing these twin concerns, BOARD has developed "BOARD BEAM" which seamlessly integrates and embeds advanced and predictive analytics into its core business intelligence and performance management applications. However, BOARD has done this without having to depend on an army of experts which is often necessary with traditional data-mining and analytics products.

BOARD BEAM has been designed with finance and business users in mind, effectively incorporating all the power of predictive analytics into daily business operations and the decision-making process. It automatically analyses any historical series and defines the best algorithm to predict it (and identifies seasonality and outliers) based on what has happened in the past. The machine (BOARD) periodically re-instructs itself based on the results achieved by its predictions, continuously improving the outcome.

All of this happens in what BOARD describes as a "Grey" box. This conveys the idea that even though the results are automated it also fully engages human beings. For example, business users can use it by simply configuring some basic parameters, such as 'period to forecast' (how much time ahead) and 'period to use' (how much time behind) – a knowledgeable user can have full visibility on the choices made by the machine and to some extent address the process.

For finance this means a more scientific approach to planning and forecasting combined with a holistic planning approach that can bring great benefits not only in terms of forecast accuracy, but also in terms of addressing decision making based on more intelligent insights, impacting deeply on the company's performance.

BOARD's innovative BEAM technology provides a solution that covers many analytical areas through three different modules: Predictive Analytics, Clustering and Analytical Functions.

Predictive Analytics offers advanced forecasting capabilities through the use of autoregressive linear models. It can automatically evaluate the characteristics of each time series, consequently producing a suitable model, and run forecasts thousands of times faster than traditional methods. The foresight achieved can be refined by adding further information to the scenario to reflect the impact of external variables (covariates) on the forecast. Forecast results are immediately available as measures in the BOARD environment, making it easy to embed predictive analytics into analytical, planning and simulation applications.

Clustering allows finance users to automatically define clusters of similar objects. Business users choose the number of groups and the observation sets (e.g. profitability and turnover) and instantaneously BOARD creates clusters and makes them available as dimensions for analysis in the standard business intelligence and performance management environment. The seamless integration between the clustering capability and the BOARD environment not only enables the immediate creation of reports, graphs, and self-service analyses based on clusters, but also the use of clusters as forecasting or planning units. Furthermore, the capability to manage scenarios allows users to create several clustering options and to always use the best-fit based on the type of analysis or business process they are handling.

Finally, BOARD BEAM offers a set of out of the box statistical functions, from the traditional min/max, average, standard deviation, to algorithms specifically designed for business analysis such as frequency, recency, dormancy and nascency. With this seamless integration into the BOARD platform, business users can instantly use these functions to build any analysis, dashboard or report.

### **Innovation 3: Next-generation contextual collaboration**

Human beings are gregarious by nature, but many core financial processes fail to play to this obvious strength. In an era in which digital communications have shifted from computers to smart phones and Instant Messenger-style applications, the finance function can sometimes seem worryingly out of step. Communication has become central to the way that business is carried out with customers on the 'outside', but this is rarely matched by collaborative tools and communications on the 'inside'.

BOARD aims to change that with embedded informal, Instant Messenger-style communications within the body of their performance management applications. This innovation is making a marked difference to the functionality and productivity of their systems.

In common with many other business processes, the typical finance organization relies on a hodgepodge of informal communication methods, such as email, walking the corridors, impromptu meetings, even fax and telephone calls, to prop up the reporting process. Unreconciled items, misclassifications, performance commentaries, inter-company balances, posting errors and queries over variances are often resolved by lengthy telephone calls and email exchanges.

Unfortunately, commonplace productivity tools sit outside of the formal CPM process, placing the finance function at a disadvantage. For example, a policy change may be communicated by an email or conference call, an approval of an account change may be made on a manual form, a problem with a variance may be buried in a Word document, a new deadline may be noted in an Outlook calendar and a commentary on a performance measure confined to a PowerPoint presentation. Individual finance professionals may have to launch five different applications and trawl through several manual systems to keep their finger on the pulse.

But BOARD's innovation allows these tasks to be combined into a single cohesive environment with instant communications at its centre. This means that individuals don't have to waste time searching for information, or opening and closing different applications with different access rights and passwords.

When an item is complex or disputed and requires human intervention, individuals in the organization can review it, get a complete history of what has happened and quickly move things along. Furthermore, instant communications that are embedded within the process allow contextually relevant conversations and decisions to be tracked alongside transactions, accounts, reports or other items. All parties involved in a particular matter can have shared visibility of, say, a report on screen while exchanging ideas and views through embedded communications.

*Innovation 3: Next-generation contextual collaboration*

This embedded capability provides a far superior capability over email communications whose context may be 'lost' in a variety of email threads that have been fired-off in different directions and may have been started at different times. Instant Messenger capability brings cross-functional communications together in one area, deliverable over a number of different devices, like web browsers, tablets or smartphones. The ability to communicate instantly with colleagues at the same time as sharing a screen not only saves time but provides a more fulfilling and enjoyable user experience.

It means that with the innovation of instant and embedded communications in BOARD software, finance professionals are more attached to the process, and just as importantly, to each other and the business itself.

## About BOARD Software

**BOARD** is the #1 decision-making platform for organizations of any size. Founded in 1994, BOARD International has enabled more than 3000 companies worldwide to rapidly deploy Business Intelligence, Corporate Performance Management and Predictive Analytics applications on a single unified and programming-free platform. Delivered on-cloud or on-premise, the BOARD platform allows companies to achieve a single, accurate and complete view of business information and a full control of performance across the entire organization, from strategic formulation down to operational execution. Thanks to its programming-free toolkit approach, global enterprises such as H&M, KPMG, DHL, Mitsubishi, NEC, Puma, Siemens and Toyota have rapidly deployed end-to end decision-making applications in a fraction of the time and cost associated with traditional solutions.

BOARD provides seamless solutions for:

- Reporting and Business Analytics
- Budgeting, Planning & Forecasting
- Profitability Modeling and Optimization
- Simulation and What-if Analysis
- Scorecarding and Strategy Management
- Financial Consolidation

Headquartered in Chiasso, Switzerland, and Boston, MA, BOARD International has 21 offices around the world and a global reseller network. BOARD has been implemented in over 100 countries.



Better decisions. Better business.

## Methodology

All of the products which have been showcased by FSN are extremely complex and sophisticated and in all cases have taken many man years of development effort. FSN has independently desk reviewed publicly available information (for example, websites, customer testimonials, videos, demonstrations, technical details and white papers) about the organization and its products. We have then identified independently three areas that we consider to be differentiating and interesting innovations to bring to the attention of the FSN Modern Finance Forum on LinkedIn and discussed their development history, the ideas behind their creation and their direction with senior members of the management team. As such, this document is not a product review, and neither is it an exhaustive list of all the innovative ideas in the product. It simply represents what we consider, in our experience of the market, to be great examples of innovation in finance processes.

## About FSN

[FSN](#) is a global publisher of thought leadership, research and “must-have” content for CFOs and senior finance professionals around the world. FSN’s highly popular and active [Modern Finance Forum](#) on LinkedIn has a membership of more than 51,000 readers in more than 23 countries and across every major industry segment. It is also the publisher of the popular [www.fsn.co.uk](http://www.fsn.co.uk) website and regularly holds networking dinners and events for its members.

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