

## Are you speaking Greek?

*Finance and IT Organizations struggle to speak the same language*

3c InSight recently conducted a series of executive interviews across 30 companies (average annual revenue of \$4.3 billion). The study focused on the strategic alignment between the Finance organization and the supporting IT organization. The participants included 7 CFOs, 8 VPs and 15 Senior Directors (24 Finance and 6 IT).

Leaders and laggards exhibited the following characteristics across five categories (see table below):

1. Process Maturity
2. Communications
3. Systems Complexity
4. Cost and Productivity
5. Organization Maturity

	<b>Leaders (top 20%)</b>	<b>Laggards (bottom 20%)</b>
<b>Process Maturity</b>	<ul style="list-style-type: none"> <li>• Separation of IT personnel between projects and support</li> <li>• Budgeted time for innovation</li> <li>• Continued increase in IT support quality</li> <li>• Financial close less than 5 days</li> <li>• High use of transaction automation</li> </ul>	<ul style="list-style-type: none"> <li>• 1 team for IT support and projects</li> <li>• Financial close greater than 5 days</li> <li>• High backlog of IT requests</li> <li>• Lack of cycle time satisfaction</li> </ul>
<b>Communications</b>	<ul style="list-style-type: none"> <li>• Regularly scheduled Finance/IT meetings</li> <li>• Published meeting notes</li> <li>• Joint annual planning</li> <li>• IT leaders speak business language</li> </ul>	<ul style="list-style-type: none"> <li>• Confusion on IT point of contact</li> <li>• Lack of business ownership</li> <li>• IT organization speaks bits and bytes</li> </ul>
<b>Systems Complexity</b>	<ul style="list-style-type: none"> <li>• Low customization</li> <li>• Single instance ERP</li> <li>• Reducing complexity</li> <li>• Right amount of systems</li> <li>• Integrated finance systems with operation systems</li> <li>• Consolidated executive information system</li> <li>• Ease of acquisition integration and divestiture separation</li> </ul>	<ul style="list-style-type: none"> <li>• High customization</li> <li>• Multi instance ERP</li> <li>• Increasing complexity</li> <li>• Too many systems</li> </ul>
<b>Cost and Productivity</b>	<ul style="list-style-type: none"> <li>• Reduction in finance and IT costs</li> <li>• Increase in finance productivity</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing costs</li> <li>• Flat or decreasing finance productivity</li> <li>• Dissatisfaction with DPO and DSO</li> </ul>

