



**HANIF SHAMJI, MBA, CPA, CGA**  
 CHARTERED PROFESSIONAL ACCOUNTANT  
 FINANCE BUSINESS PARTNER -  
 OPERATIONS AND STRATEGY PROFESSIONAL

## FINANCE BEYOND MONTHLY REPORTING

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The role of Finance in organisational reporting goes beyond reporting on monthly financial results. The importance of reporting on the monthly financials should not be underestimated including the traditional role finance has played within the organisation. Historically finance may have been seen a separate unit that did not interact with other groups within the organisation. The role that finance plays will increasingly be strategic that is to assist business units with strategy. In the case of not-for-profits or government agencies, the role could be within the efficient use of resources to provide services more efficiently.

Finance professionals can help organisations see beyond the financials, and assist an organisation able to optimise decision making by combining information from various sources to maximise market opportunities. Ever increasingly finance professionals are required to provide strategic information include what-if analysis of undertaking particular situations. While providing such information finance professionals will continue to:

### Finance Professional role in providing Data Analytics:

- Provide analysis that is sound and can be justified to make business decisions
- Provide increasingly robust financial information which can be facilitated by analytics through "Big Data Analysis."
- Work with the business units to evaluate the relevance and reliability of various data sources.

Provide information related to operating efficiency including effects of decisions to create value beyond financial reporting

Work with business units to assist in increasing improved performance including helping in timely analytics

Finance can contribute to demonstrate the impacts of different decisions, possible outcomes from such decisions, and compare alternatives with the business units. To provide such information partnership between business units is increasingly important. Organizational structures such as a

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flattened, or matrix structure will continue to be challenged to think outside of the silo of their business unit.

Traditionally many organisations still rely on a traditional financial reporting approach that lacks information or the frequency of information for timely decision making. Monthly financial reporting analysis including explanations are useful but is of little value if no action is taken on it or further investigation is undertaken. Organizations that leave the finance department in a silo only to report on month-end results can be left behind compared to its competitors that may have become more strategically competitive. The use of information technology related tools such as ERP systems, multiple data-points, and data-analytics allows for such analysis that may not have been possible in the past.

The involvement of finance professionals in strategy does not take away from the decision making from the business units, but rather a tool that the business unit has for decision making.

To drive shareholder value companies will need to understand how such insight can drive shareholder value and manage performance within an organisation. This includes Strategic Direction, Providing Support Services (such as Finance, Legal, Compliance, and Human Resources), Customer Demand (that drives manufacturing, production, and supply chain), and Generating Demand (sales and marketing).

In measuring and providing analytics on performance management data, an understanding of the business of the organisation beyond the financials. Business units need to focus on the core competencies of the organisation. The focus on what it does better than its competitors, the market segment, products, cost strategy. It should also focus on how it plans to fund the risk and rewards of such a strategy and the returns t.

In product offerings, organisations will need to determine the optimal product and service mix for the area (such as geographical), the effects on marketing efforts on sales and revenue. Determining if the company has projected a realistic sales demand based on internal, external, as well as market-related sources. The cost of retaining, and servicing new clients including the effect on the organisation on both financial and non-financial considerations.

There are many ways in which a finance professional can assist the organisation with its strategy within Finance, as well as partnering with other departments to provide value-added information. Finance will continually be an increasingly important business partner for companies for their decision making to "See Beyond" the financials.

***About the author:***

*Hanif Shamji, MBA, CPA, CGA* is a Finance Business Partner / Sr. Financial Analyst with an information technology background, experienced in several industries.

Contact: [info@hanifshamji.ca](mailto:info@hanifshamji.ca)

<http://www.hanifshamji.ca/>