Twelfth Annual Survey of Technology Issues for Financial Executives

FEI's Committee on Finance & Information Technology (CFIT) and Financial Executives Research Foundation (FERF), in partnership with Gartner, are conducting the twelfth annual survey of Technology Issues for Financial Executives. This research examines and reports on information technology from the perspective of the financial executive.

As part of this year's effort, we have set an ambitious goal: responses from 1,000 FEI members. This level of participation will enable us to expand the report to include more analyses by industry and company size, allowing you to better compare and benchmark your company. We strongly encourage you to participate. You can learn a lot about current trends just by reading the questions.

This year's questionnaire incorporates feedback and suggestions from last year's respondents. To make it easier to participate, we have reduced the number of questions by 25%.

Before starting the survey, you will need to know your company's total planned expenditures in the next year related to its analytical and decision support capabilities.

If you have any questions, please call Bill Sinnett, FERF Director of Research, at 973.765.1004 or bsinnett@financialexecutives.org.

Thank you for participating. We appreciate your time and input.

Bob Schultz
Chairman, CFIT

I. DEMOGRAPHICS

Please ensure that your answers to all questions reflect only the organization/business entity for which you are a financial officer.

1. Describe the organization for which you are responding.

- Corporate
- Group or sector (multiple SBUs)
- Division, wholly owned subsidiary, or operating unit (single SBU)

2. Are you the senior financial executive in your organization?

- Yes
- No

3. Describe the ownership of your organization (or parent organization).

- Publicly traded
- Privately held
- Other (please specify)

4. In what primary industry does your organization operate? (Select only one industry).

5. What is the size of your organization in annual revenues, stated in U.S. dollars?

- Less than $100 Million
- $100 Million – $499 Million
- $500 Million – $999 Million
- $1 Billion – $5 Billion
- Greater than $5 Billion

II. SURVEY

1. Please rank the top three areas in which you believe your organization is most constrained by a lack of appropriate enabling technology solutions. (Select only 3 choices from list with #1 being the most important deficiency/greatest need.)

	1	2	3
Measuring product and customer profitability	○	○	○
Managing business risk	○	○	○
Integrating the financial function with the overall enterprise	○	○	○
Reducing enterprise operating costs	○	○	○
Managing integration of systems following mergers, acquisitions or divestitures	○	○	○
Integrating strategy with daily business operations and rewards (balanced scorecard)	○	○	○
Ongoing monitoring of business performance	○	○	○
Data quality and information integrity	○	○	○
Facilitating analysis and decision making	○	○	○
Developing business plans and budgets	○	○	○
Consolidating financial processes/instances	○	○	○
Modeling business development (mergers, acquisitions, divestitures) scenarios	○	○	○
Helping to position the company for profitable growth	○	○	○
Creating/maintaining an enterprise-wide view of business relationships: customers, products, vendors	○	○	○
Creating an effective environment for sharing relevant information (knowledge management)	○	○	○
Improving financial value chain areas – such as Procure to Pay	○	○	○
Understanding and managing the drivers of profitability or cost of service delivery (not for profit organizations)	○	○	○
Other	○	○	○

(please specify)

[   ]

2a. How would you grade the relative maturity of your management information environment in terms of its ability to readily provide relevant analyses, decision making and management reporting information?

○ Exceptional

○ Superior

○ Average

○ Poor

○ Failing

2b. Please indicate how consistent is the management and financial reporting delivered by the finance team with other operational reporting performed by line of business managers:

- ꝳ Highly consistent – there is never any disagreement over numbers on management meetings

- ꝳ Quite consistent – there are minor differences between operational reports and finance data

- ꝳ Somewhat consistent – the high level numbers agree (often due to manual reconciliation) but we find it hard to explain variances in finance data with data form operational systems

- ꝳ Inconsistent – we spend a lot of time in management meetings arguing over whose numbers are right.

3a. Does your organization plan to upgrade its analytical and decision support capabilities in the next year?

- ꝳ Yes

- ꝳ No

3b. If you answered yes to the previous question, please describe your plans.

(Mark all that apply)

- ℮ Data warehouse
- ℮ Consolidation and reporting
- ℮ Customer and product profitability
- ℮ Performance measurement/scorecard
- ℮ Financial consolidation and reporting
- ℮ Statistical analysis
- ℮ Management dashboard
- ℮ Predictive modeling
- ℮ Planning/budgeting/forecasting
- ℮ Other (please specify)

3 c. If you answered yes to question 3a, what is the total planned expenditure related to the areas you selected in question 3b?

Software (U.S. Dollars - thousands)

Professional Services to implement (U.S. Dollars - thousands)

4. How important are each of these technology issues to your organization?

	Critical	Important	Not a Concern
Identifying the appropriate level of technology investment	jn	jn	jn
Upgrading or replacing legacy systems	jn	jn	jn
Prioritizing technology investments	jn	jn	jn
Establishing and maintaining effective dialogue between IT and users	jn	jn	jn
Identifying the appropriate level of security for information and electronic applications	jn	jn	jn
Identifying how IT can improve or influence business processes	jn	jn	jn
Using technology to drive business change	jn	jn	jn
Developing disaster recovery capabilities	jn	jn	jn
Aligning business and IT strategy	jn	jn	jn
Achieving the expected benefits from IT investments	jn	jn	jn
Improving data quality/information integrity so that finance, management and operational reports are all consistent	jn	jn	jn
Increasing the usage of common systems and shared technology	jn	jn	jn
Optimizing technology platforms to optimize cost efficiencies	jn	jn	jn
Using technology to improve customer metrics (new sales, retention, loyalty)	jn	jn	jn
Using IT to assist with governance, risk management and compliance	jn	jn	jn
Other	jn	jn	jn

(please specify)

5. Are there any emerging technologies or other technology related issues that will directly impact your company or your industry in the next few years?

- ⊜ SaaS
- ⊜ Service-oriented Architecture (SOA)
- ⊜ Cloud Computing
- ⊜ Web Oriented Software
- ⊜ XBRL
- ⊜ Carbon Accounting
- ⊜ Corporate Social Responsibility/Sustainability Management/Green IT
- ⊜ Governance Risk and Compliance
- ⊜ Unified Communication
- ⊜ Social Networking
- ⊜ Enterprise Mash-Ups
- ⊜ Other (Please Specify)

6a. What is your company's IT operating expenses (not including depreciation) as a percentage of revenue?

Example: 3 percent entered as 3.0

6b. What is your company's IT capital expenditure as a percentage of revenue?

Example: 3 percent entered as 3.0

7. How has the relative level of IT spending changed (in relation to the change in revenue) over the past three years? How do you expect it to change in the next year?

Please select Rating

Past 3 Years	
Next Year	

8a. How is the current economy changing the investments and plans for technology related initiatives?

	Yes	No
IT is renegotiating service agreements with business areas to reduce maintenance.	◯	◯
We have deferred new projects.	◯	◯
We have stopped projects in progress.	◯	◯
We are moving to outsourced applications and support (including software as a service).	◯	◯
We are discontinuing certain non-mission critical applications and support.	◯	◯
We are continuing to invest where there can be demonstrated competitive advantage/differentiation	◯	◯
We are moving to more packaged applications	◯	◯
We are halting all enhancements	◯	◯
We are pushing more responsibility out to user organizations	◯	◯
We are cutting IT spending and/or staff.	◯	◯
We are investigating newer technologies (Web 2.0, Service Oriented Architecture).	◯	◯
We are pursuing outsourcing.	◯	◯
Other	◯	◯

If Other please specify:

8b. If you answered YES to the above question, "We are cutting IT spending and/or staff," please indicated the reduction amount below. (Example 3% reduction = 3.0)

We are cutting IT spending by

We are cutting IT staff by

9a. What is your overall level of satisfaction with your organization's "information integrity", defined as accuracy, consistency and reliability of information?

- ◌ Highly satisfied
- ◌ Somewhat satisfied
- ◌ Neutral
- ◌ Somewhat dissatisfied
- ◌ Highly dissatisfied
- ◌ No opinion

9b. To what extent is the current level of information integrity hampering (lengthening response times, raising cost, reducing confidence, etc.) your ability to attain your business objectives?

- ◌ Significantly
- ◌ Moderately
- ◌ Not at all

9c. Does your organization have a formal, ongoing program to improve its information integrity that includes routinely monitoring and reporting status/progress?

- ◌ Yes
- ◌ No

9d. Describe your organization's plans to improve its information integrity in the next year. (Mark all that apply.)

- ☐ No current plans
- ☐ Review/modify transactional edits/controls
- ☐ Cleanse databases and/or master data
- ☐ Implement new applications
- ☐ Implement automated tools to monitor data quality and/or information integrity
- ☐ Other (please specify)

[   ]

10. How has the total ongoing cost of compliance for Sarbanes-Oxley changed in the past year versus the previous year?

- ◯ Increased significantly
- ◯ Increased moderately
- ◯ No change
- ◯ Decreased moderately
- ◯ Decreased significantly
- ◯ Not applicable

11. How do you currently use or plan to use XBRL information?

- ◯ External reporting only
- ◯ External reporting and supplement to existing internal reporting
- ◯ External reporting and replacement for certain internal reporting
- ◯ No decision at this stage
- ◯ Not applicable for my organization

12a. In light of the SEC's road map for the transition to IFRS, in what time frame would your company plan to implement?

- ◯ All conversion activities to be deferred until closer to the required adoption date
- ◯ Planning and impact analysis in progress, but implementation to be deferred until closer to the required adoption date
- ◯ All conversion activities are in progress
- ◯ Conversion activities are complete
- ◯ Not applicable for my organization

12b. How involved is the IT Department in the planning and/or project management of the IFRS conversion initiative?

- ◯ Active participant on IFRS conversion steering committee.
- ◯ Active participant on IFRS conversion project management office.
- ◯ Kept apprised of IFRS conversion efforts, but not an influencer.
- ◯ No role for IT Department in early stages of conversion.
- ◯ Not applicable, organization has not commenced IFRS conversion planning.

12c. What is the actual or expected impact of IFRS on your organization's IT business applications?

- ◯ We plan on making addressing requirements in our financial reporting (or Corporate Performance Management) solution only.

- ◯ We plan on managing all GAAP to IFRS activities offline in spreadsheets.

- ◯ We envision minor changes to our ERP (or integrated financial management) system.

- ◯ We are using this to justify an ERP upgrade, where we will configure IFRS requirements.

- ◯ We are using this to justify a new ERP system to replace our existing.

- ◯ We have not begun to size this activity.

- ◯ We are not worried about this at this time

12d. What is the expected length of time necessary to modify and/or replace your organization's IT applications as part of the IFRS conversion?

- ◯ Less than 6 months

- ◯ Between 6 and 12 months

- ◯ Between 12 and 24 month

- ◯ More that 24 months

- ◯ Not yet known

- ◯ Not applicable

12e. Are you expecting any synergies between your IFRS conversion project and other enterprise transformation initiatives?

(Please mark all that apply)

- ☐ ERP implementation

- ☐ ERP upgrade

- ☐ Finance transformation

- ☐ Shared service center migration

- ☐ None expected

- ☐ Other significant application project (please indicate below)

13. What is your organization's preferred approach to addressing systems integration issues?

jn Discontinue all disparate systems and implement a single integrated system for core areas.

jn Adopt best of breed applications and develop necessary interfaces.

jn Build new interfaces between existing systems.

jn Operate and maintain seperate systems.

14. How many separate financial accounting instances (number of general ledgers with accompanying subledgers or independent financial systems environments/silos of information) does your organization have? How many business units does this support?

of financial systems environments   [   ]

# of business units   [   ]

15a. Is your organization currently implementing/upgrading/expanding or planning to implement an enterprise-wide resource planning solution (ERP) within the next year (e.g. SAP, Oracle, Lawson, Microsoft, Agresso, QAD or equivalent)?

jn Yes, new implementation in progress

jn Yes, upgrade in progress

jn Yes, expansion in progress

jn Yes, planned implementation

jn No

15. b. If yes to any of the choices in the previous question, what is the scope for this implementation?

jn Financials only

jn Financials plus selected other application areas

jn Full suite: financials and/or supply chain, customer relationship management, human resources

jn Other (please specify)

[   ]

15c. If not implementing or planning to implement ERP, why not?

   jn   Have already implemented an ERP solution

   jn   There is a low ERP functionality fit with our business.

   jn   Cost/benefit analysis does not justify the expenditure.

   jn   Satisfied with current systems.

   jn   Integrating existing systems and/or implementing best–of–breed applications is preferable to ERP.

16. Describe your organization's general practices regarding implementing new releases of package software.

- jn Adopt as new releases become available.
- jn Implement to remain within one release of current release.
- jn Implement only when substantial new functionality is provided.
- jn Implement only when installed release is no longer supported.

17a. If you have implemented an ERP system or integrated set of financial management applications (general ledger and subledgers), to what degree was the packaged software code modified vs. customized only?

	Significant	Moderate	Minimal	None
Code modifications	jn	jn	jn	jn
Level of customization	jn	jn	jn	jn

17b. How would you rate the completed ERP/financial management project in terms of meeting schedule, providing anticipated business value, expected cost and risk reduction/mitigation?

- jn Highly successful
- jn Moderately successful
- jn Neutral
- jn Moderately problematic
- jn Failure

18a. With respect to each process listed below, how does your company manage them currently?

	Managed Locally	Shared Service Center	Outsourced
Accounts Payable	jn	jn	jn
Payroll	jn	jn	jn
Billing and Invoicing	jn	jn	jn
Fixed Assets	jn	jn	jn
Travel Planning	jn	jn	jn
Travel Reimbursement	jn	jn	jn
Customer Service	jn	jn	jn
Credit & Collections	jn	jn	jn
Order Management	jn	jn	jn
G/L & Accounting	jn	jn	jn
Human Resources	jn	jn	jn

18b. With respect to each process listed below, what is the desired future state?

	Managed Locally	Shared Service Center	Outsourced
Accounts Payable	○	○	○
Payroll	○	○	○
Billing and Invoicing	○	○	○
Fixed Assets	○	○	○
Travel Planning	○	○	○
Travel Reimbursement	○	○	○
Customer Service	○	○	○
Credit & Collections	○	○	○
Order Management	○	○	○
G/L & Accounting	○	○	○
Human Resources	○	○	○

19. To whom does your organization's most senior IT executive report and to whom do you think this person should report?

	Please Select
Current	☐
Recommended	☐

(if you selected "Other" above, please specify)

☐

20. How effective has your IT staff been in keeping abreast of the latest technology developments?

○ Very Ineffective

○ Somewhat Ineffective

○ Neutral

○ Somewhat Effective

○ Very Effective

21a. In which of the following areas do you feel your IT staff has the strongest skills?

Please select only three where 1 = Most Important

	1	2	3
Project management	jn	jn	jn
Organization	jn	jn	jn
Communication	jn	jn	jn
Knowledge of critical business processes	jn	jn	jn
Knowledge of specific business information sets	jn	jn	jn
Applying newer technologies	jn	jn	jn
Customer service focus	jn	jn	jn
Ability to plan	jn	jn	jn
Ability to execute the plan	jn	jn	jn
Professional approach or teamwork	jn	jn	jn
Understanding the relationship between business and technology	jn	jn	jn
Ability to implement cost effective platforms/be a cost	jn	jn	jn
Other	jn	jn	jn

(please specify)

[   ]

21b. In which of the following areas do you feel your IT staff most lacks necessary skills?

Please select only three where 1 = Most Important

	1	2	3
Project management	jn	jn	jn
Organization	jn	jn	jn
Communication	jn	jn	jn
Knowledge of critical business processes	jn	jn	jn
Knowledge of specific business information sets	jn	jn	jn
Applying newer technologies	jn	jn	jn
Customer service focus	jn	jn	jn
Ability to plan	jn	jn	jn
Ability to execute the plan	jn	jn	jn
Professional approach or teamwork	jn	jn	jn
Understanding the relationship between business and technology	jn	jn	jn
Ability to implement cost effective platforms/be a cost	jn	jn	jn
Other	jn	jn	jn

(please specify)

> [   ]

22. What is the nature of the IT-related budget planning process?

jn Capital planning is done yearly and independent from operations budgets.

jn Capital planning is done yearly linked to future year operations budgets.

jn Budgets include a rolling 3 (or more) years of capital and operations expenses.

jn Other (please specify)

> [   ]

23a. What best describes who in your company makes technology investment decisions?

jn CIO

jn CFO

jn CIO and CFO together

jn Steering Committee of IT and Business Area Executives

jn Steering Committee of IT and Business Area Operational Managers

jn None of the above

23b. As a financial executive, what is your role in IT investment decisions?

- ☐ Decision-maker
- ☐ Key recommender
- ☐ Have some voice
- ☐ Don't participate

Thank You!

You have completed the 12th Annual Survey of
Technology Issues for Financial Executives

We appreciate your prompt response. Thank you for investing your time in this valuable survey.

All respondents will receive a free pdf version of the final report.