

Mind Your KPIs: Top Metrics Finance Teams Should Monitor

Tom Kelly

June 30, 2021



The Association of
Accountants and
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in Business

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Q&A

Asking Questions




Help



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☐ Minutes to Watch: 50

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Moderator



Sue Khawaja
Business Development Manager
IMA

Featured Presenter



Tom Kelly
Director
Product Management/Marketing
Oracle NetSuite

Tom Kelly's Biography

- Before joining NetSuite, Tom founded T-Edward, a strategic & operational Cloud consultancy providing Cloud expertise & CXO services from Fortune 500 companies to start-ups.
- Prior, Tom held a variety of executive positions with large cap companies including PepsiCo, eFunds & Deluxe Corporation, as well as small cap, privately held entities such as eBenX, FullContact & PeopleNet Communications.

Learning Objectives

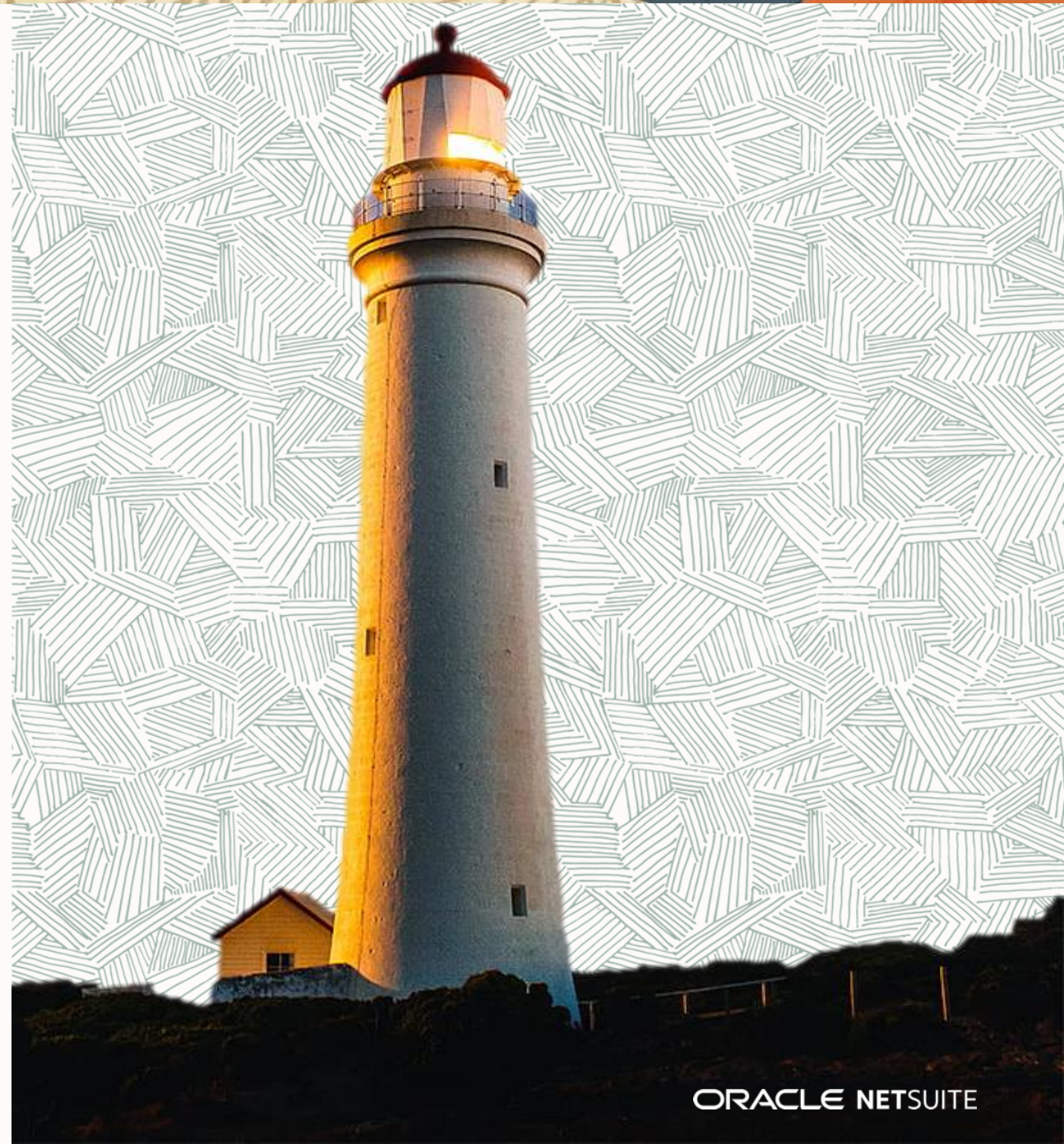
Upon completing this webinar, you will be able to:

1. Identify key performance metrics to track.
2. Describe best practices for juggling finance and strategy.
3. Explain how technology can help steer your business through an uncertain financial future.

Safe Harbor Statement

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ANY DECISIONS
TO BUY OR SELL
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I SAY TODAY....**

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policy and is not intended to be relied upon in making
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purposes only, and may not be incorporated into
any contract. It is not a commitment to deliver
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decisions. The development, release timing and
pricing of any features or functionality described
in Oracle products may change and will be at
the sole discretion of Oracle Corporation.



Agenda

1.

IDENTIFY

Key Performance
Metrics to Track

2.

DESCRIBE

Best Practices for
Juggling Finance and
Strategy

3.

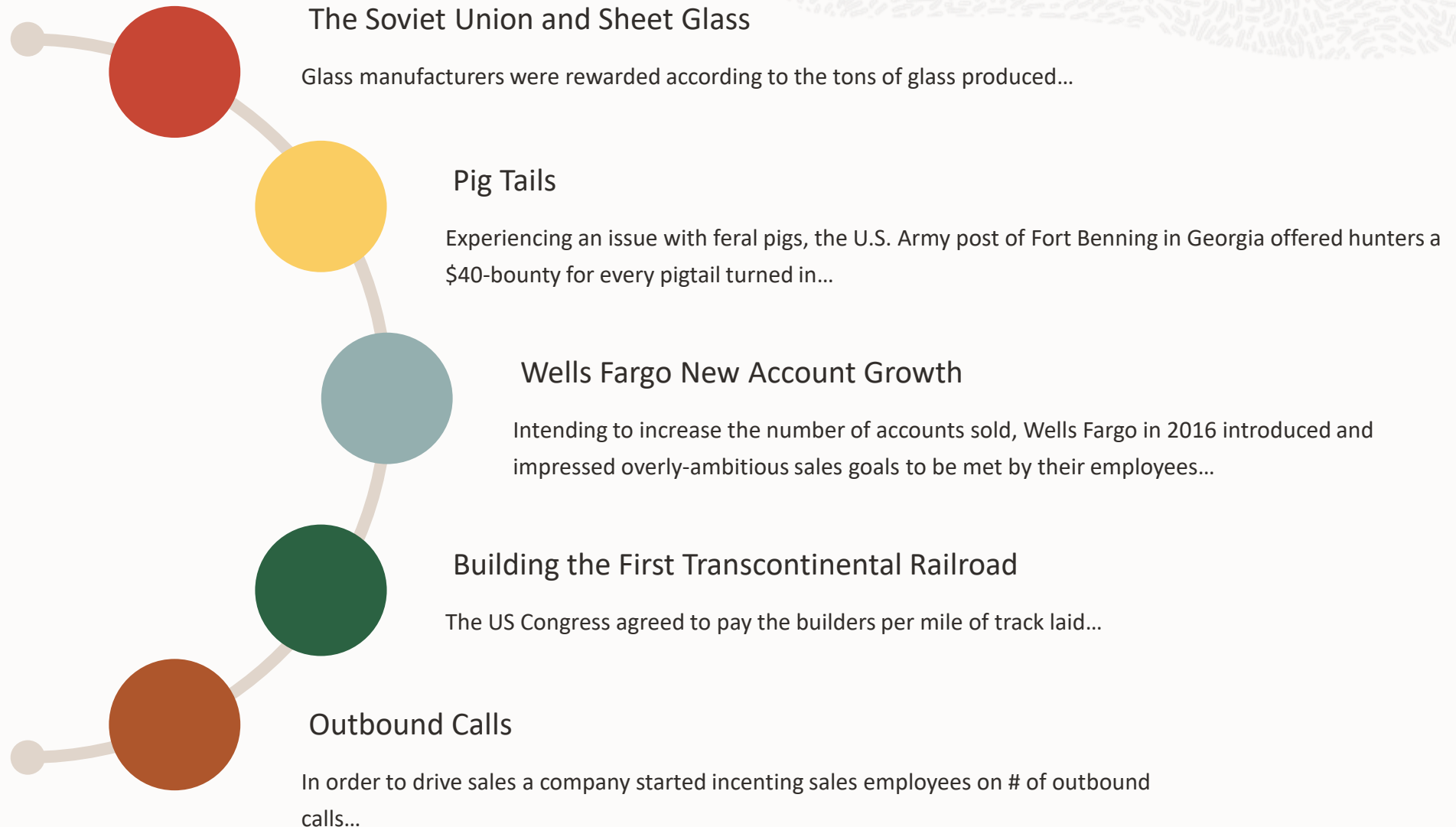
EXPLAIN

How Technology Can
Help Steer your
Business Through an
Uncertain Financial
Future

IDENTIFY

Key Performance Metrics to Track

KPIs That Were Well Intended, But...



Goodhart's Law

WHEN A MEASURE BECOMES A TARGET,
IT CEASES TO BE A GOOD MEASURE

IF YOU
MEASURE
PEOPLE ON...

NUMBER OF
NAILS MADE

WEIGHT OF
NAILS MADE

THEN YOU
MIGHT GET

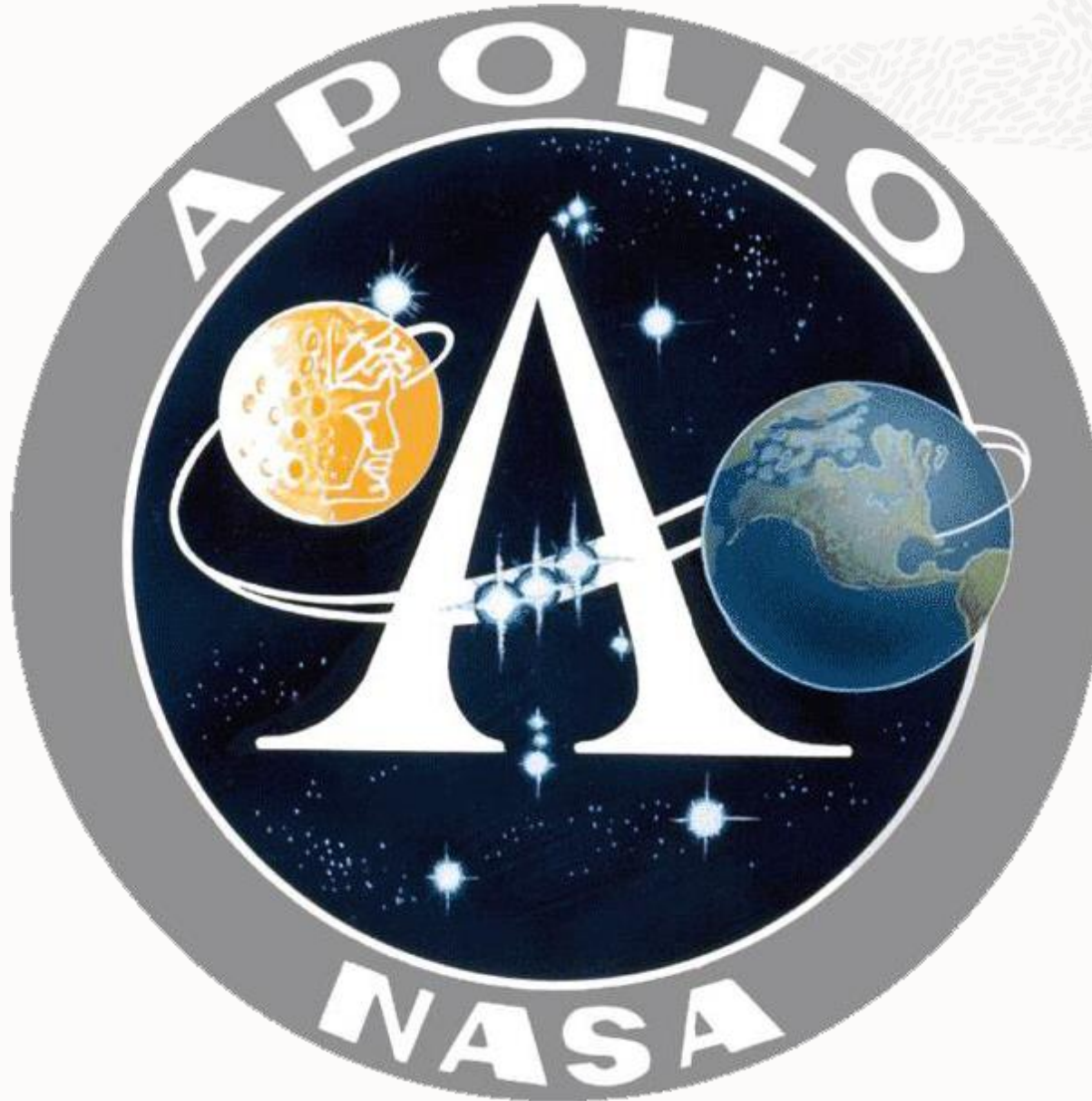
1000'S OF
TINY NAILS

A FEW GIANT,
HEAVY NAILS





SQUARE PEG IN A ROUND HOLE

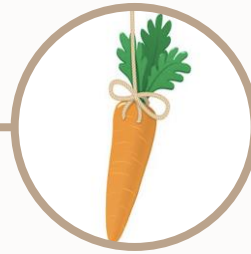


Align Tactics with Strategy



TARGET OPPORTUNITIES

HOW TO ACCURATELY
QUANTIFY AND
PRIORITIZE
OPPORTUNITIES



MOTIVATE PEOPLE

HOW TO PROVIDE A
MEASUREMENT
SYSTEM THAT
DRIVES THE DESIRED
BEHAVIOR



JUSTIFY INVESTMENT

HOW TO QUANTIFY
AND ACCURATELY
EVALUATE RETURN
ON INVESTMENT

Polling Question 1

How many metrics do you continuously track to monitor company performance?

- a) 2 to 3
- b) 4 to 6
- c) 7 to 9
- d) 10 or more

Polling Question 1 Results (Placeholder)

Top 3 Ways To Drive Results



1

EFFECTIVE MEASUREMENT

2

EFFECTIVE MEASUREMENT

3

EFFECTIVE MEASUREMENT

The Business Alignment Model - BAM

- Vision is Clear, Strategies are Aligned, & Support One Another
 - What We are Trying to Achieve
 - How We Will Do It
 - When
 - With Measurable Targets
- Critical Business Goals are Clear
 - Driven by the Leadership Team
 - Know Where the Synergy Is
- Establishes a Broad Framework for Performance Improvement
 - With the guidance of Leadership's Strategic Directions for the Business
 - And a Vision for "How We Will Operate in the Future"
- Combines Long-Term Strategic Objectives with Short-Term Improvement Projects/Tactics



The Business Alignment Model - BAM

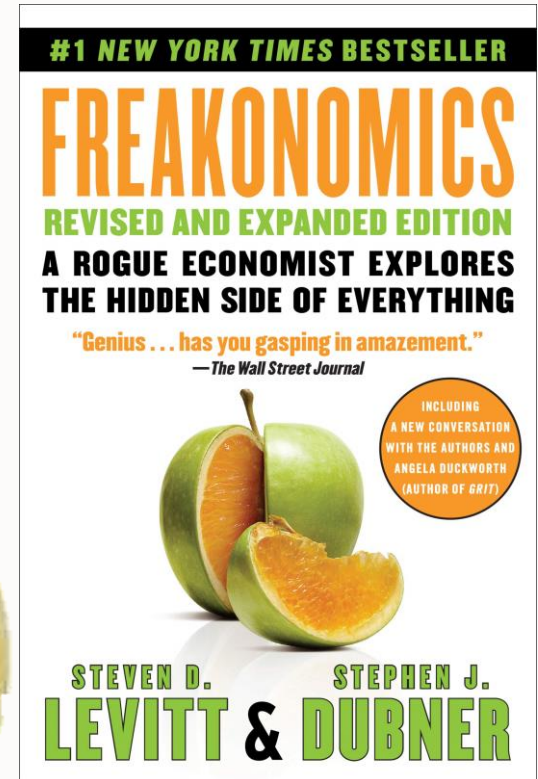


Idea For Setting Your Mission Statement...



Think Outside The Box on Measurements

Get Your Freak On!



Turning an Uncontrollable Cost into a Controllable Cost

**Influencing Workers Comp
Premium @ Pepsi**



A person's hands are shown holding a white baseball with red stitching. The background is dark and out of focus, showing parts of the person's body and clothing. The text "KNOW YOUR STUFF" is overlaid in large, white, bold letters with a black outline.

KNOW YOUR STUFF

KPIs That Finance Departments Should Measure



KPIs That Finance Departments Should Measure



All



News



Images



Videos



Books



More

Settings

Tools

About 10,900,000 results (0.54 seconds)

Quick Ratio

Current Ratio

Employee Count

Cash Conversion Cycle (CCC)

Accounts Payable Turnover

Total Debt-to-Asset Ratio

Time to Close

Return on Equity (ROE)

EBITDA & EBITDA Growth

Return on Investment (ROI)

Total Debt-to-Equity Ratio

Net Profit Margin

Operating Cash Flow

Operating Expense

Gross Profit Margin

Earnings Per Share (EPS)

Compound Average Growth Rate (CAGR)





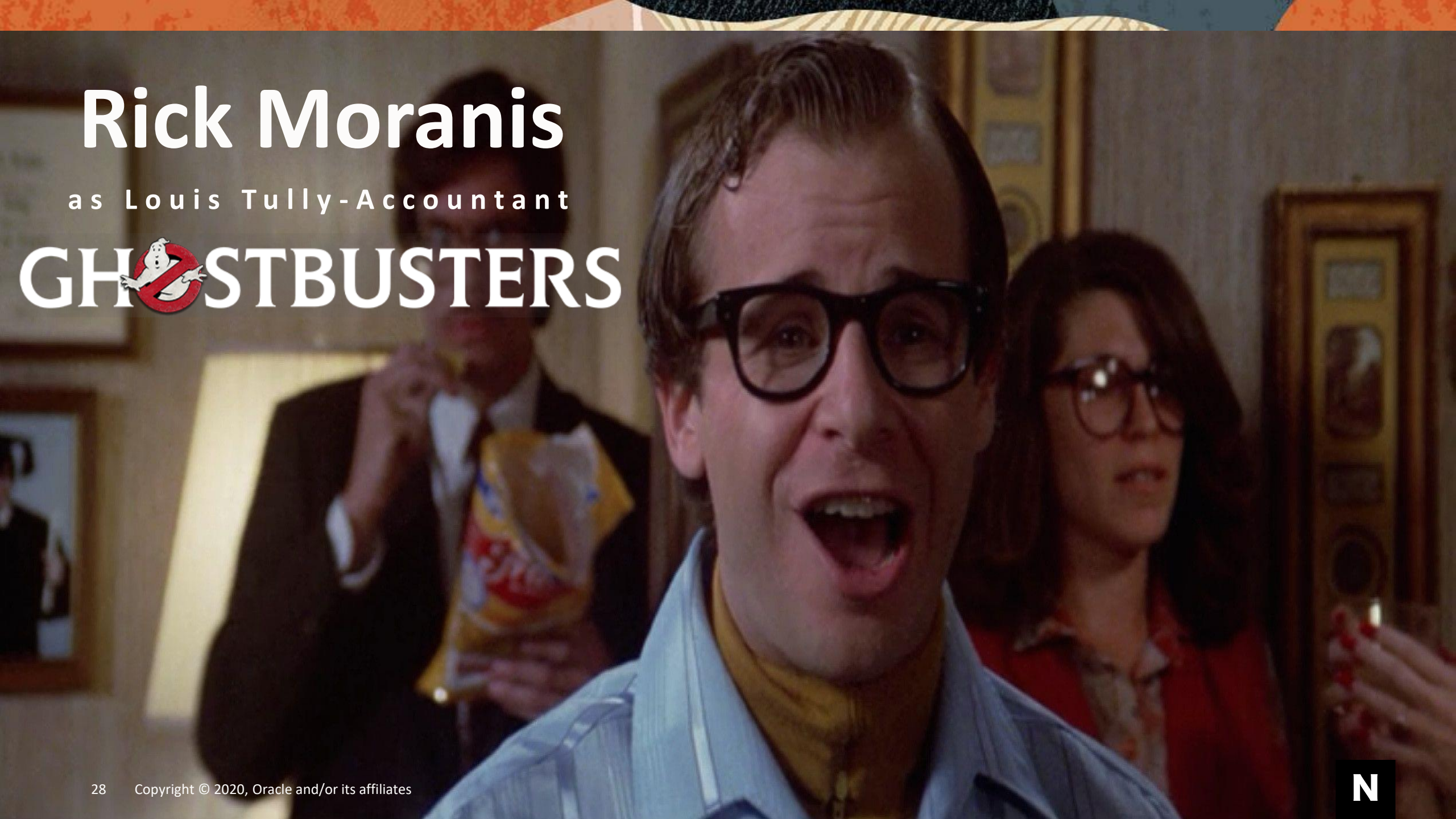
DESCRIBE

Best Practices for Juggling Finance and Strategy

Rick Moranis

as Louis Tully-Accountant

GHSTBUSTERS





AVAILABLE NOW!

CAPTAIN FINANCE

VS THE SILO

ORACLE NETSUITE

ACCOUNTANTS TODAY
NOT ONLY HAVE TO
COUNT THE BEANS...



**... THEY HAVE
TO GROW THE
BEANS TOO!**



Polling Question 2

To what extent are you involved in running the business – not just accounting for it?

- a) Low
- b) Moderate
- c) High
- d) Not At All – I just count the beans.

Polling Question 2 Results (Placeholder)

The Role of CFO is Expanding to...

**Chief Communicator:
Gaining the Confidence of
Wall Street, Investors,
Media, etc. is essential...**



The Role of CFO is Expanding to...

Chief Risk Officer: Limiting Risk is More Important as Markets Become Global and More Complex...



The Role of CFO is Expanding to...

Chief Dealmaker: Venture Capital, M&A, Strategic Partnerships – CFOs must be adept at each...



The Role of CFO is Expanding to...

**Chief Strategist: CFOs
Need to Leverage Real-
Time Financial Information
to Make Crucial Decisions
Fast...**



Successfully Juggling Finance and Strategy



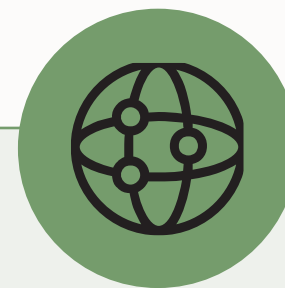
Modern Cloud G/L

- Real-Time
- No Batch Processing
- Data Rich



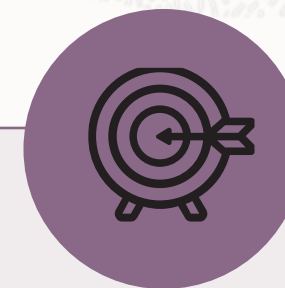
Continuous Global Consolidation

- Multi-Currency
- Multi-Company
- Auto Elimination and Consolidation



Immediate Globalization

- Internationalization
- Localization
- Statutory Reporting



Actionable Intelligence

- Personalized
- Contextualized
- Automation

AGILE • COLLABORATIVE • CONSTANT GOVERNANCE

EXPLAIN

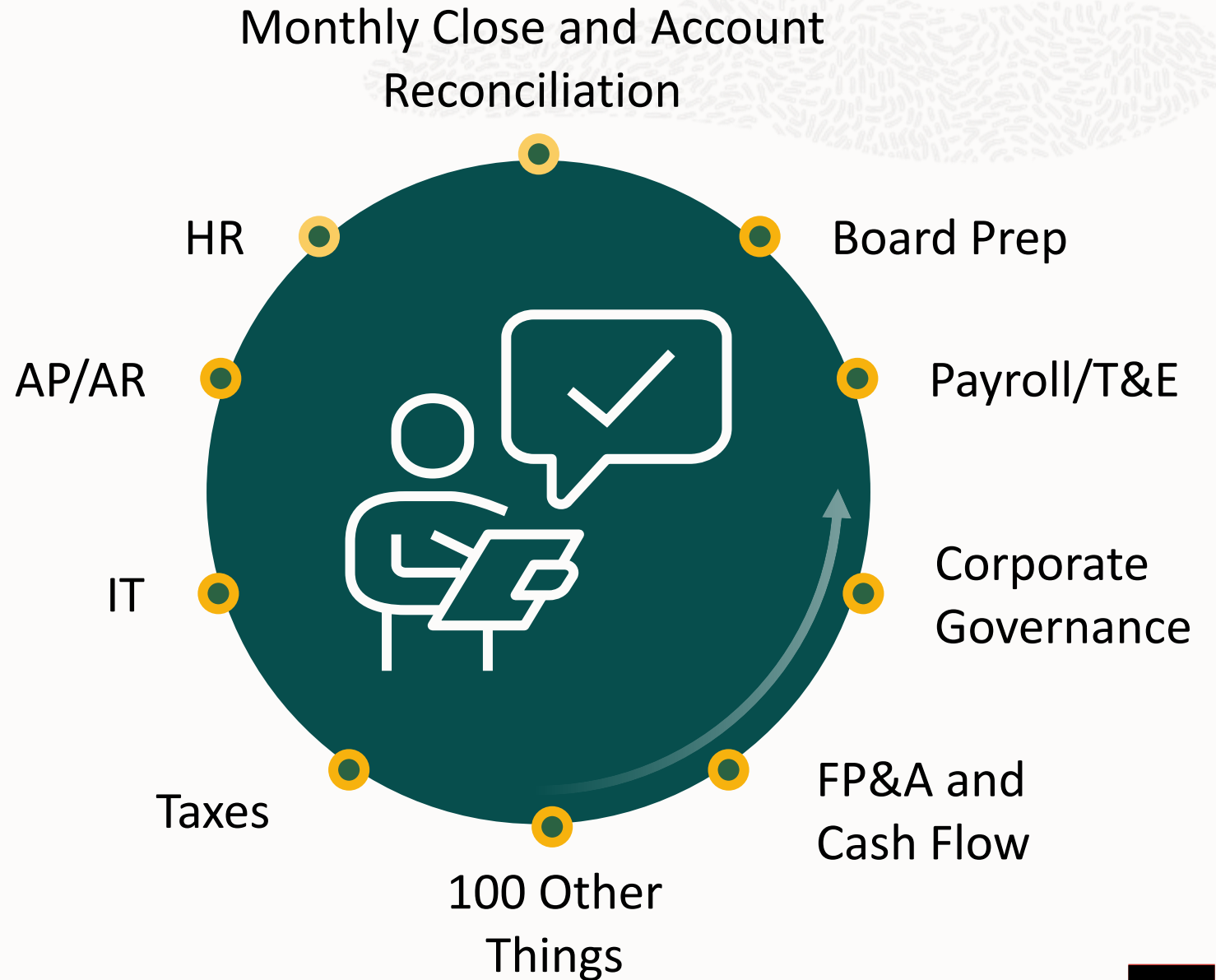
How Technology Can Help Steer your Business Through an Uncertain Financial Future

The Right Technology Can Be Your Secret Weapon



The Secret Weapon

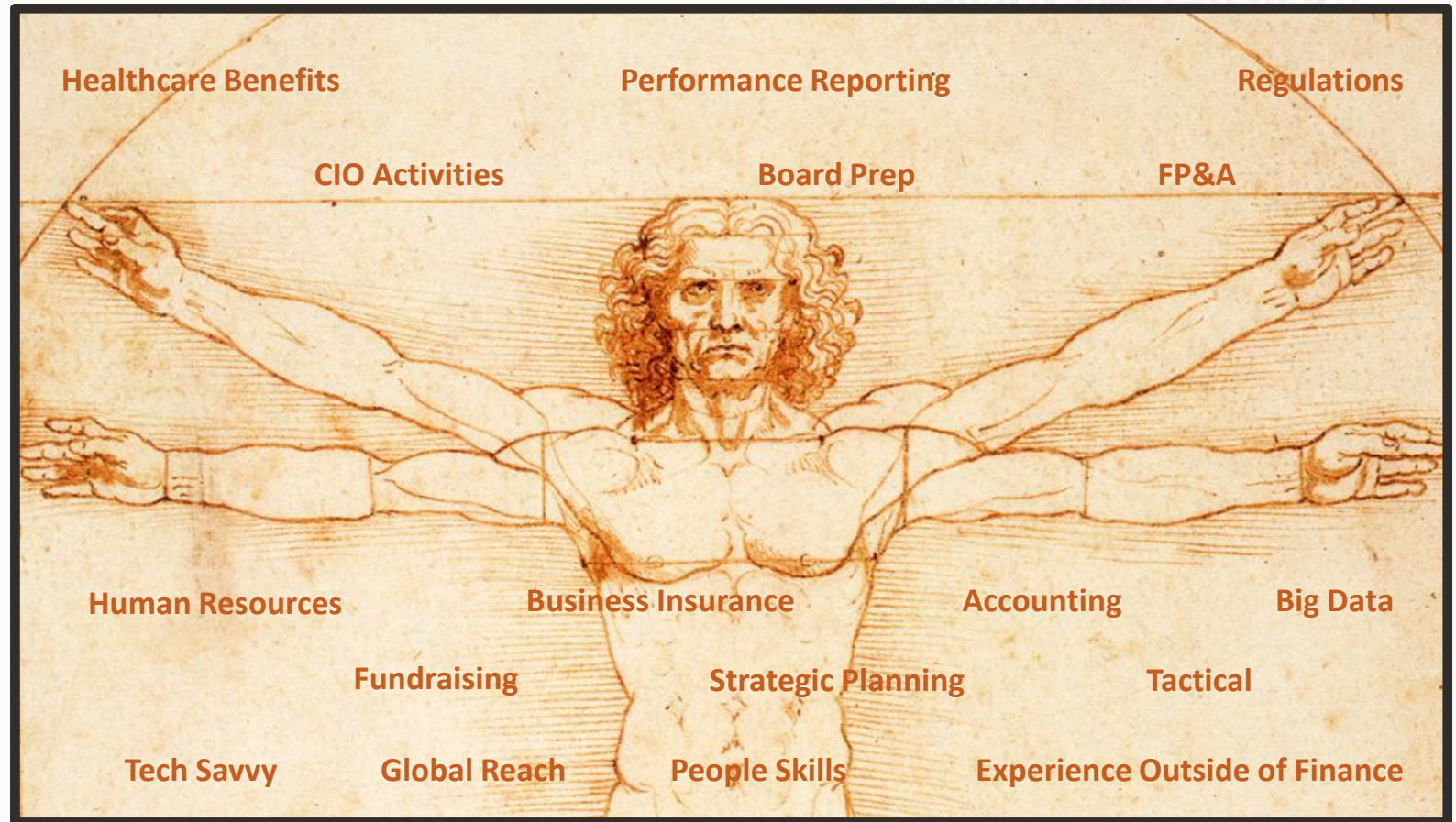
A Few of the Key Activities That a CFO Does



Counting and Growing the Beans

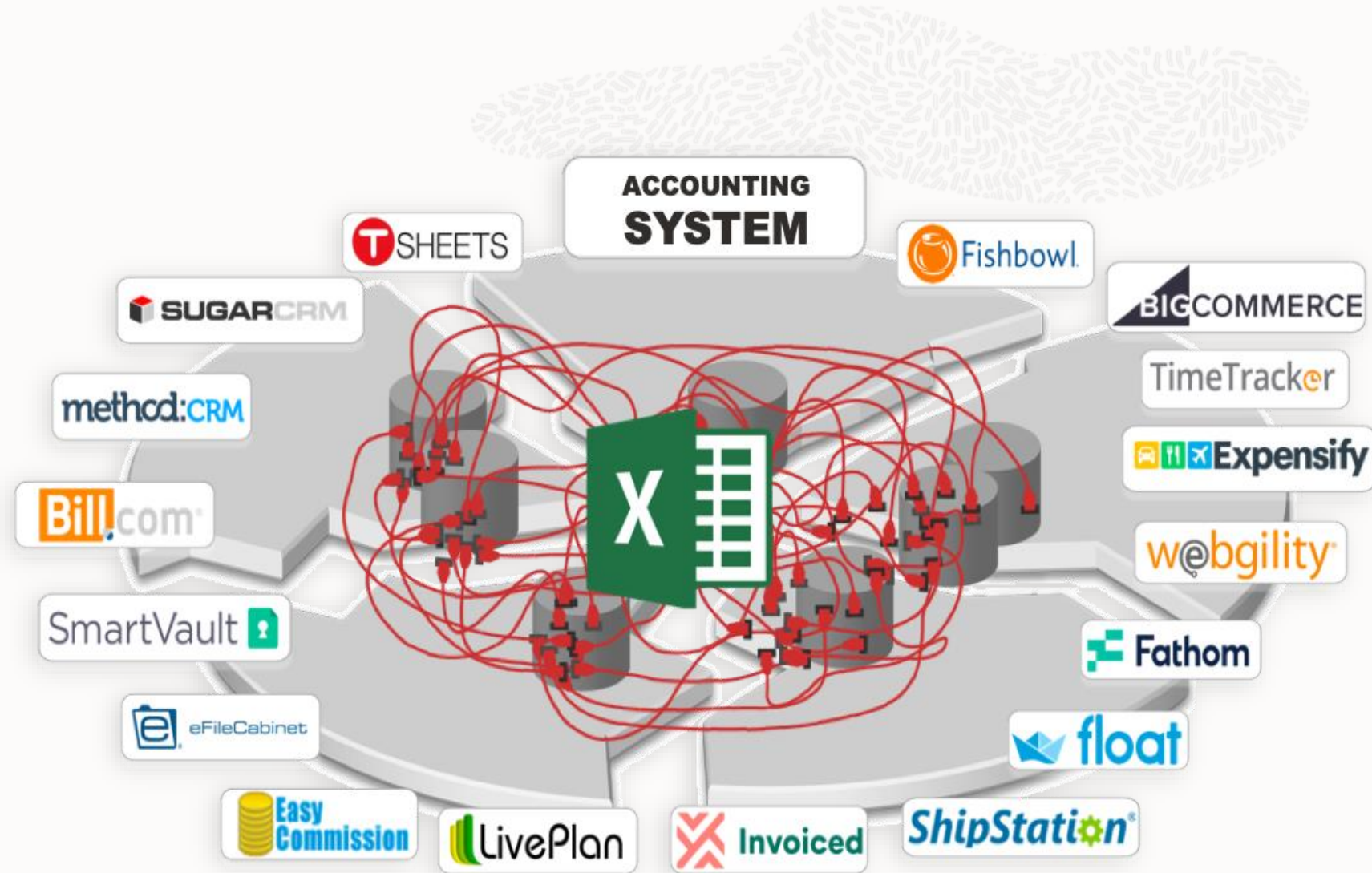
The
CFO

Vitruvian



The Hairball Will Not End in Success

**Application Sprawl Should
be Avoided at All Costs**



Polling Question 3

How many applications are in your stack?

- a) 1 - 2
- b) 3 to 5
- c) 6 to 10
- d) More than 10

Polling Question 3 Results (Placeholder)

Driving Automation and Intelligence



Smart Automation

- AP/AR Automation
- Employee Expenses
- Bank Recs
- Payroll
- Cash Management



Accounting Cycle

- Account Reconciliations
- Period Tasks
- Intelligent Accruals
- Intercompany Automation
- Proforma Posting Review

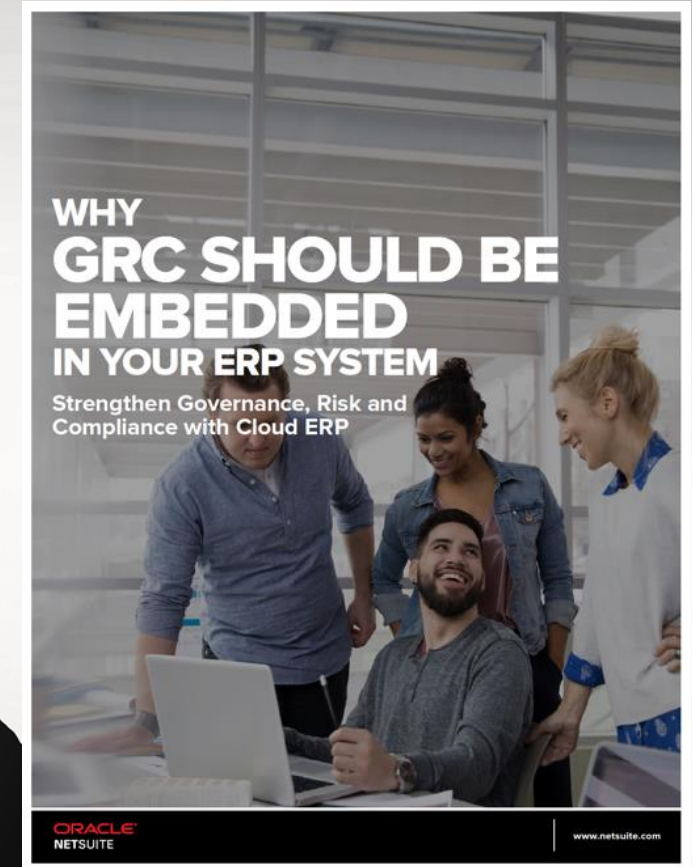


Visibility & Intelligence

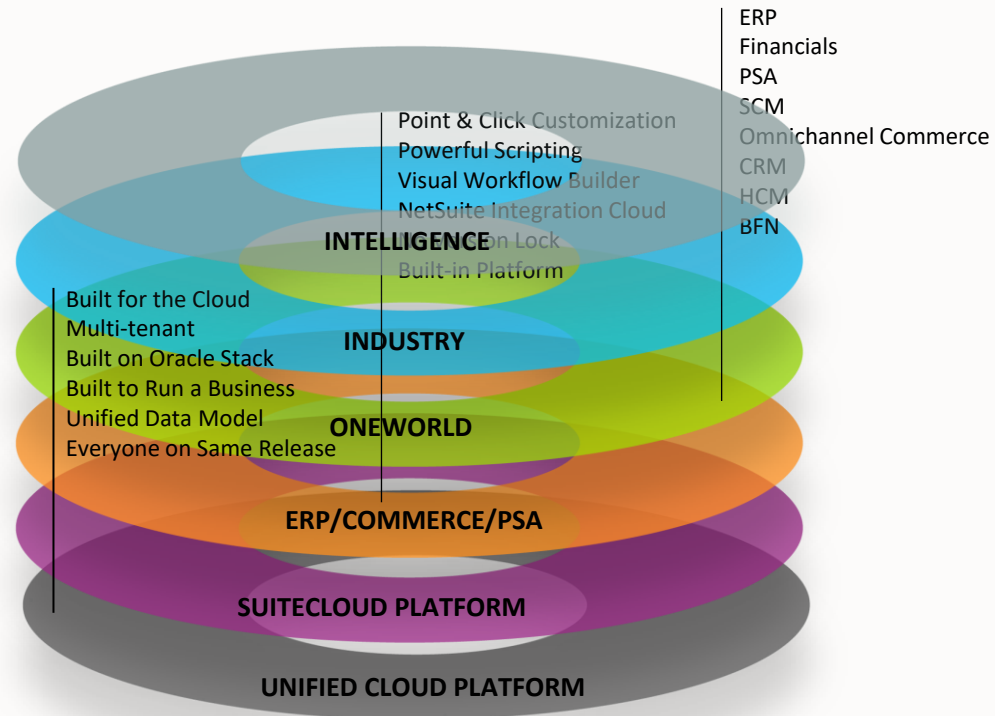
- FP&A
- Role Based Dashboards
- Insights and Analytics - AI

GRC/Security Embedded In Your ERP

The modern CFO needs to be strategic—but still deliver on GRC. CFOs need to leverage the GRC processes and capabilities embedded within an ERP which evolve as requirements do (ASC/IFRS).



NetSuite



Multi-book
Multi-language
Multi-currency
Multi-country tax compliance
Master Data Management

Advertising
Media & Publishing
Software
Services
Nonprofit
Manufacturing
Wholesale Distribution
Retail

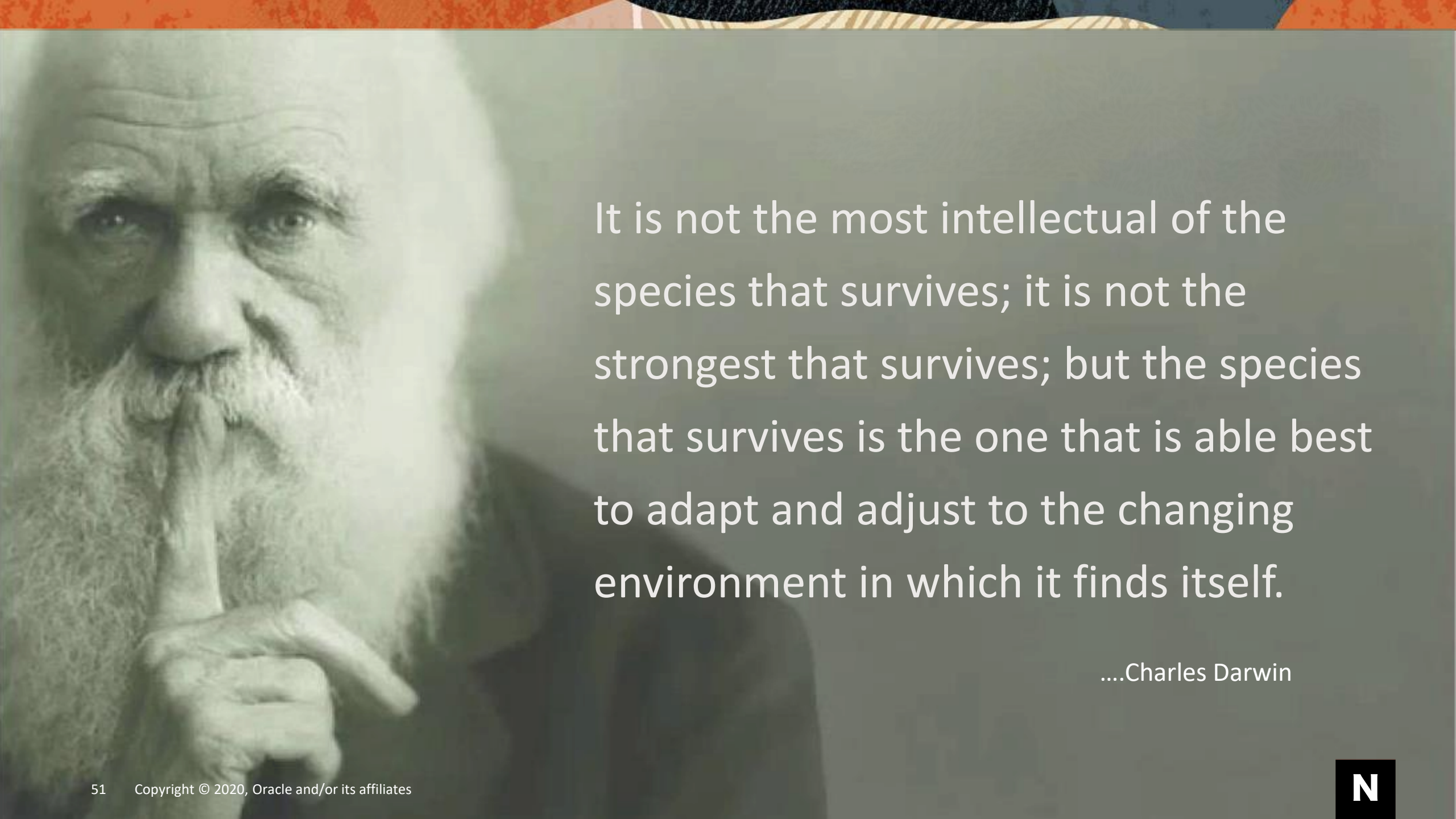
AI
Machine Learning
SuiteAnalytics
Predictive
WorkBooks
Reporting
KPI's & Dashboards

Polling Question 4

What keeps you up at night?

- a) Governance, Risk and Compliance
- b) Closing the books quickly and efficiently
- c) Growing AND counting the beans
- d) I am a new parent
- e) Something else

Polling Question 4 Results (Placeholder)



It is not the most intellectual of the species that survives; it is not the strongest that survives; but the species that survives is the one that is able best to adapt and adjust to the changing environment in which it finds itself.

....Charles Darwin



THANK YOU

Questions & Answers

Use the Q & A Panel to send your questions to our panelists.



Tom Kelly
Director
Product Management/Marketing
Oracle NetSuite



Sue Khawaja
Business Development Manager
IMA

Thank You to Our Featured Presenter!



Tom Kelly
Director
Product Management/Marketing
Oracle NetSuite

Final Reminders

- ▶ **Complete the Evaluation poll** – 2 options
 - On your screen
 - Evaluation Survey icon at the bottom of your console
- ▶ **Access to your CPE Certificate** – 2 options
 - Click the “CPE” icon at the bottom of your console
or
 - Click the link in your post-event e-mail
- ▶ Please print a copy of the CPE certificate for your records.
- ▶ Your CPE credit will be automatically recorded in your transcript.



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