



Where is the insight?

As the profession soaks in the bloated expenditures and massive effort of Sarbanes-Oxley compliance, we would do well to remember another reason why we were placed here: to provide organizations with the insight and agility needed to survive and thrive.

In a marketplace of rapid change, companies need a financial accounting system that is more than a keeper of data — it must provide critical management information in real time. Have we lost sight of this as we roll around like drunken sailors dealing with the onslaught of Sarbanes-Oxley compliance?

I recently ran a leadership session for a global consumer products company and noted that according to ProductScan Online, its sector saw the introduction of 33,679 products in 2004. That's up 53% from 10 years prior. At the same time, some US\$250 billion

was spent marketing those new products, although a survey found that one consumer in two couldn't name one.

It was clear to me what the company's marketing and sales staff needed: immediate customized detailed insight into what is working in the field and what is not; where the product introduction is succeeding and where it is failing; data on regional breakouts of market success and factors that could help replicate that success. They needed financial numbers, real numbers — important numbers. Call it financial insight for market rapidity. Shouldn't that be the goal of the financial systems we are putting in place? Are we as accountants delivering what's needed? Maybe not.

Here's an example of what an organization can achieve when it learns there is more to accounting than compliance. I recently spent time with the CIO of a US-based patio furniture manufacturer. His organization was hammered in the last decade by countless factors, including the fact that a Chinese manufacturer could provide a similar product for a much lower price.

He convinced his leadership team that it needed a financial management system that would permit it to

run leaner, faster and with more insight into operations. The company spent a whack of money on it and suffered greatly with the challenges that came with implementation.

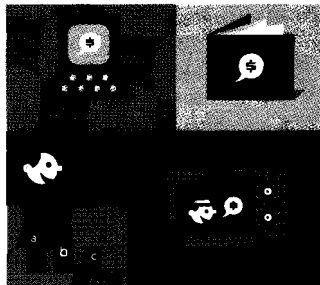
Then one day, it reaped the rewards of a financial manage-

ment insight system. Last winter, it had a call from Wal-Mart, asking if it might supply 110,000 patio swings; Wal-Mart was unable to source the product from its usual Chinese supplier. With the analytical tools the organization had put in place it was able to look up and down the supply chain to ensure supplies could be immediately sourced. In an instant, it was able to analyse the numbers and determine a price bid it could live with. It examined its resources and changed the production schedule to fit things in. The company was able to go to production two weeks later, delivering the product in advance of the order date, and on budget.

The company had the agility necessary to respond to a world of rapid change — and serve as a perfect case study of what we can really do when we focus on the benefits that sophisticated accounting insight can bring.

You can find useful barometers of change throughout the Internet. Take a peek at *Shaping Tomorrow* for a regular update on key trends that have an impact on the world of business. *Fast Company* is a must-read to keep up with the rapidity of change that surrounds us. Of course, you must be in an innovative frame of mind to think about new ways of doing things; *Innovation Tools* is a useful site to start stirring your creative juices.

Jim Carroll, FCA, is a well-known speaker, author and columnist. Reach him at jcarroll@jimcarroll.com or log on to his website at www.jimcarroll.com



BAROMETERS OF CHANGE

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