Managing the demands of your organization

December 4, 2013

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Welcome! Important Web Seminar Notes

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- Following the presentation we’ll have a Q&A session. Submit questions via the Q&A feature. Simply select the Q&A window, type your question into the dialog box, and click the “Ask” button.
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Welcome! Important Web Seminar Notes
Webinar goals

- Identify the challenges from the changing business environment
- Recommendations on how your company approaches challenges
- Demonstration on how technology can be leveraged
- Questions
About McGladrey

Ranked the fifth-largest assurance, tax and business consulting provider in the U.S. *(Source: Accounting Today)*

McGladrey LLP is comprised of:
- More than 85 offices in the U.S.
- More than 7,000 employees in the U.S.

Member of RSM International, one of the largest global networks of independent accounting, tax, and consulting firms with:
- A presence in 72 countries
- More than 30,000 people in 736 offices

Provides global resources with a single point of contact.
Delivering outstanding client service for over 80 years.
Consulting

Overview

Financial advisory
- Mergers and Acquisitions
- Valuation
- Litigation and dispute advisory
- Performance improvement
- Forensic accounting and fraud investigations

Risk advisory
- Internal audit/ Sarbanes-Oxley advisory
- Security and privacy
- Enterprise risk management
- Contract compliance
- Financial institution regulatory compliance

Technology consulting
- Strategy and advisory
- Enterprise Resource Planning and Customer Relationship Management
- Business information and integration
- Infrastructure
- Business process outsourcing

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Consulting
An Integrated Approach to Technology Consulting

Technology must work for you in the context of business value. Our integrated approach of Advise, Deliver and Maintain provides the framework for achieving business results.

An intimate understanding of how people, process and technology intersect, coupled with a disciplined and detailed delivery approach, makes the right solutions work for your organization.

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What's the biggest challenge facing your organization?

Polls are open.

- Distributed workforce
- Changing business models
- International expansion
- Capital reporting requirements
- Limited use of technology
- Expanding role of the CFO

[ Poll 1 ]
New challenges facing finance professionals

- Increasingly distributed workforce
- Changing business models
- Increasing speed of business
- Trading globally
- Operating internationally
- Increased reporting requirements
- Expanding role of the CFO
What is your industry classification?

[ Poll 2 ]
Increasingly distributed workforce

Multiple offices, telecommuting and field employees make MBWA ineffective or impossible. Enforcing internal controls and making sure work is proceeding requires new approaches.

Suggestion: While employees may not be centralized, the business systems they use can be centralized. These systems monitor workloads and help identify bottlenecks.

Management By Walking Around

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Changing business models

Businesses are exploring new ways to monetize services, bundle services with products and generate recurring revenue through subscriptions. Further, businesses are rapidly switching between models for some products.

**Suggestion:** Seek out business systems that can be configured and deployed rapidly so that pace of change does not outstrip pace of application delivery.

**Suggestion:** Integrate revenue recognition capabilities into business systems rather than tracking in spreadsheets.
Increasing speed of business

Businesses are changing faster and, in some cases, growing faster than ever. For finance professionals, this can result in exponential increases in system users and business data.

Suggestion: Evaluate business systems that easily scale to accommodate additional users and data. Cloud solutions support scaling without additional servers and storage.
Trading globally

Selling and sourcing internationally can be an effective way to expand markets and revenues and lower cost of goods. However, this forces a company to manage multiple currencies and exchange rates.

**Suggestion:** Avoid offsetting increasing profits with inefficient processes. Build multicurrency pricelist and transaction management into fulfillment and procurement systems.

**Suggestion:** Employ Landed Cost to make sure freight and duties don’t eat up profits.
Operating internationally

Buying and selling globally can lead to expanding operations overseas. This expands challenges from managing currencies to managing people, languages, culture and compliance with multiple local regulations.

**Suggestion:** Avoid implementing different systems in each country where possible. Use a single system to support communication with consistent operation regardless of language. This saves time producing consolidated reporting.
Increased reporting requirements

Accountants that were once concerned with basic financial statement reporting must now meet the expectations of increasingly demanding Boards, government regulators, stock exchanges, and bankers. These reports require information well beyond the general ledger.

**Suggestion:** The more comprehensive your business system, the less effort required to collect data and generate reports, and the higher the quality of results.

**Suggestion:** Develop a dashboard strategy for quick access to metrics and KPIs.
Expanding role of the CFO

The CFO has been burdened with additional responsibilities through regulations such as Sarbanes-Oxley, HIPAA and the Affordable Care Act. Other departments such as Human Resources and IT are increasingly falling under the oversight of the CFO. This workload affects the entire finance organization supporting the CFO.

Suggestion: The finance department's toolset needs to expand beyond accounting software to full ERP to provide a full view of the organization.
Are you planning to move to a new ERP system?

Polls are closed.

- Yes, within six months
- Yes, between six months and one year
- Yes, more than a year
- No plans to move

[ Poll 3 ]
• Submit questions via the Q&A feature. Simply select the Q&A window, type your question into the dialog box, and click the “Ask” button

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Thank you for attending

- The presentation slides and a link to the call recording will be sent to all participants within a few days of the webinar

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The Power of Being Understood.SM
This is McGladrey.

- We bring an unmatched client-centric focus to every engagement
- We create rich, enduring relationships based on a profound understanding of our clients—their business challenges and their aspirations
- Armed with an understanding of our clients, we bring fresh insights and tailored solutions to help them succeed
Appendix
Industries we serve

- Banking and financial institutions
- Construction
- Consumer products
- Financial services
- Food and beverage
- Government entities
- Health care
- Life sciences
- Manufacturing and wholesale distribution
- Not-for-profit
- Private clubs
- Private equity groups
- Real estate
- Specialized industries
- Technology

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Services that fit

Assurance
Consistency, objectivity and accountability

Tax
A balanced and integrated approach

Consulting
Our business is focusing on yours
We offer a comprehensive scope of technology services, covering IT Strategy, Application and Systems Integration, Infrastructure and Outsourcing.

Technology Consulting Capabilities

Consulting
- Strategy and Advisory
  - Strategy Development
  - Assessments
  - Due Diligence
  - System Selection
  - Business Continuity and Disaster Recovery
  - Benchmarking/Best Practices
  - Project and Program Management

Applications
- Design and Implementation
  - Enterprise Resource Planning (ERP)
  - Customer Relationship Management (CRM)
  - Business Analytics
  - Corporate Performance Management
  - Systems Integration
  - Knowledge Management, Portals and Collaboration

Infrastructure
- Design and Implementation
  - Network Design and Implementation (LAN/WAN)
  - Carrier Assessment/TEM
  - Server Virtualization
  - Storage and Recovery
  - Desktop/Application Delivery
  - Unified Communications and Mobile Computing

Support
- Business & Technology Outsourcing
  - Finance and Accounting Outsourcing
  - IT Outsourcing
  - CIO Advisory
  - Application Outsourcing
  - Infrastructure Outsourcing
  - Hosting/Private Cloud
  - Managed Services

Cloud Solutions
- Software as a Service (SaaS), Platform as a Service (PaaS), Infrastructure as a Service (IaaS)

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Enterprise Risk Management

Technology Consulting Capabilities