

# Application Process Automation – A Finance Systems Mandate

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## Overview

Business Intelligence and Enterprise Performance Management (EPM) software enables the office of the CFO to gain better insight into business performance and make timely business decisions based on today's market demands. However, significant costs and challenges impair a business's ability to derive optimum value from its critical applications on a timely, predictable, accurate and consistent basis.

This paper describes the challenges in connecting and managing an ecosystem of finance related applications, and illustrates a new approach called *Application Process Automation*. It addresses the most critical priorities facing finance organizations:

- Improving financial close processes for faster and more accurate visibility into the health of your business
- Predictable, and reliable, continuous planning and forecasting processes
- Spending quality time on analysis and planning
- Compliant finance systems and processes
- Cost-effectively managing and integrating a heterogeneous finance ecosystem with diverse applications and BI tools from multiple vendors
- Reductions and/or repurposing of resources to other projects

The complexity of managing the chain of multiple applications required to effectively meet these priorities is a significant cost and burden for most Finance and IT departments. The challenges created by this complex environment manifest in many ways:

- Limited access to information for forecasting, planning, consolidation, and reporting
- Antiquated systems and processes that don't scale to growing business needs and M&A activity
- Non-conforming standards
- Delays getting information out of systems
- Tight processing windows, unable to keep up with the growing need for more data
- Unreliable data, misreporting numbers, and loss of credibility and confidence
- Doing more with limited resources
- Rightsizing the relationship and ownership of applications and processes between business users, Finance, and Information Technology (IT)



## *Antiquated Processes*

**Custom code.** In today's world, the purchase of traditional packaged finance software is the preferred and common practice to meet business application needs. Unfortunately, there is still far too often a tendency to resort to custom code to solve certain application needs. The reasons for this are two-fold:

1. Gaps in software product offerings in the marketplace.
2. Misguided beliefs that custom code is a more effective way to leverage a company's technical resources to meet application needs.

Today's market has been underserved by software applications that enable cross application processes to thrive. Out of necessity, custom code is developed to thread together the various pieces of the Finance Application Ecosystem. As this paper will discuss later, a new software application has been designed to bridge this gap. However, even with new software offerings, some of your company's technical resources still have a tendency to "step-up" to systems challenges by whipping out Java, Perl, Python, or other code. **The Impact:** This short term thinking may address tactical needs, but the end result is typically a costly and never ending circle of growing custom code where fragility, inflexibility, and the ongoing cost of maintenance, personnel turnover, and knowledge transfer is high.

**Manual processes.** Most application processes also suffer from the need for manual efforts. This results from disjointed application processes that have no easy way to interact, which is compounded by the myth that software stacks from a single mega vendor can address today's complex M&A-driven corporation. Another common problem is the need for cross system data validation. In order to ensure finance data accuracy, and integrity, many businesses will need to visually inspect similar data between systems. **The Impact:** These error prone processes jeopardize application up time, data reliability, financial close cycles, and do not scale to growing business needs.

**Inflexible systems.** While many business planning and analysis applications are owned and managed by Finance users or Finance IT, the ecosystem of applications need to reside in a secure, well managed IT infrastructure. In many cases, this necessitates that your finance applications sit behind an IT firewall. Unfortunately, one of the side effects of a more IT controlled environment is the loss of flexibility that business users need to plan and analyze their business. For example, the ad hoc need for a business user to make key changes to business models or data during a continuous planning process or data consolidation process at any time, without the need to go through a help desk or follow a rigid IT process, is critical to reacting to changes business demands and needs. **The Impact:** A costly inability to scale to growing business needs; the loss of business control means slower turn-around times for critical planning and analysis process.

## *Multiple Disjointed Tools*

The lack of an application that centrally manages the automation of cross application processes has led to the proliferation of disconnected tools. This problem is compounded in many businesses with mixed platform environments using Windows and UNIX application servers. While many point applications contain their own command line interfaces or built-in schedulers, these quickly become problematic when they need to work in conjunction with other applications. As a result, users must learn to use multiple tools that perform similar functions, and engineer "hand-offs" to ensure a smooth flow of data and processes across a chain of inter-related applications. Typically, this requires the use of custom coding where disjointed processes create intermediate status or error files, and pad artificial wait or

start times at each distinct application touch point. **The Impact:** A fragile, coded system with end-to-end processing delays up to 10 times longer than necessary. With most businesses already pushing finance system updates to the edge of available processing windows, less quality time is spent on planning and analysis. Moreover, in many cases, compromises are made on the level of detailed data that is available for planning and analysis needs.

**Visibility issues.** An application's reliability is measured not only by its ability to run error free with maximum uptime, but also in its ability to quickly alert users and provide meaningful, actionable information when something goes wrong. This minimizes application down time and creates business user confidence in their critical applications availability. Unfortunately, an ecosystem of financial applications that is automated by disparate tools, and code, is highly inept in providing immediate alerting to the root cause of any problem that exists in the process chain. This means that application issue resolution relies solely on more technical users who must have access to multiple console windows and dig through application log files to determine root cause and correct action. **The Impact:** Delayed planning and analysis cycles for large business user communities.

### **Scripting Liability**

One of the greatest liabilities and hidden risks in most finance application implementations is the use of scripts. While scripts are an effective piece of the automation puzzle, the manner in which they are misused and deployed across multiple application environments is common in many organizations. In order to orchestrate the interaction of applications in the Finance Application Ecosystem, and also address development to production lifecycles, large numbers of multiple, redundant script versions are amassed across multiple application instances. These scripts contain hard-wired text that carries a large maintenance burden as system requirements and personnel change. **The Impact:** Costly, inflexible finance systems that encumber the ability to quickly make changes in response to ever changing business needs.

### **Compliance and Control Exposure**

The other serious consequence of finance applications that are cobbled together by disparate tools, code, and distributed hard-wired scripts is the risk to financial process controls and 404 Compliance. These systems typically do not provide a full audit trail of who ran various application processes by time and date. Moreover, these systems do not provide an audit trail of who made changes to what processes, code, or scripts by time and date. **The Impact:** Non-compliant finance systems issues that cause delays, increase costs and headaches during an audit cycle, and create a potential liability.

## **The Solution**

Business Process Automation (BPA) is the approach business uses to gain operational efficiencies, reduce costs, and improve results. It consists of integrating software applications, restructuring labor resources, and improving business processes. Application Process Automation is a key component of BPA, focused on the automation of interactions that happen between disparate software applications. Application Process Automation offers a significant opportunity to greatly improve reliability, consistency, and accuracy while greatly relieving the ongoing cost and time required to automate your financial application ecosystem.

The **Star Finance Command Center** is a software application from Star Analytics that is specifically designed to address the need for Application Process Automation with a single product to centrally control, manage, and gain visibility into the Finance Application Ecosystem. Offering multi-vendor, multi

platform support, the Star Finance Command Center ensures that you can effectively scale your finance applications needs as your business demands evolve.

Specifically designed from the ground up for finance systems needs, the Star Finance Command Center greatly reduces costly complex code and manual processes, making it easy to define and manage cross application processes. Used across a wide range of secured business users and system administrators, email alerts make it easy for users to have immediate visibility through web browsers and smartphones. This allows them to view various finance application processes, run automated processes on an ad-hoc basis, and quickly diagnose any potential issues that cause delays in access to critical financial consolidation, planning, and analysis data.

## The Result

Enterprises are realizing significant cost reductions and operational efficiencies with Application Process Automation features in the Star Finance Command Center. The office of the CFO in a growing number of companies is greatly improving their financial planning and close processes:

- A large technology company reduced scripts and complex code by 95%, achieving an 8 month return on investment (ROI) and future savings of hundreds of thousands of dollars over multiple years.
- A financial services company eliminated time consuming and error prone manual processes, reducing financial close process cycles, and enabling them to scale their planning and analysis to meet growing business demands.
- A pharmaceutical company's finance users gained the flexibility to control and manage their critical business processes while reducing the IT burden of help desk tickets and requests to do simple tasks.
- A large financial institution improved governance and compliance of finance systems with version control, audit trail, and the elimination of manual processes.

**The Bottom Line:** The Star Finance Command Center powers optimized business processes and systems that are fast, predictable, timely, accurate, and compliant. All while reducing costs and complexity, allowing organizations to do more with fewer resources.

## About Star Analytics

Star Analytics is the leader in Finance Application Process Automation software, offering enterprises a cost-effective way to automate and integrate disparate financial and operational data for better business decisions. Fortune 1000 companies in all major industries use Star Analytics to improve business planning and analytics and reduce the burden on IT by automating the integration and management of financial processes and data. Partners include Oracle, IBM Cognos, SAP BusinessObjects, QlikTech, and Microsoft. Headquartered in San Mateo, California, Star Analytics is a privately-held company backed by Hummer Winblad Venture Partners and LightSpeed Venture Partners. Visit <http://www.staranalytics.com>.

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