



Enterprise performance management: The catalyst for your digital transformation



Move beyond traditional approaches

The era of digital transformation has created a major paradigm shift in how businesses characterize their IT and finance functions. To succeed in today's digital economy, companies must move beyond deeply entrenched "people/process/technology" frameworks and adopt a fundamentally different model for organizational transformation; one that is more in sync with the networked economy.

Adopting a new digital framework

The traditional approach to business transformation is based on a model of value creation involving optimization of linear processes and execution. This model no longer adequately reflects the reality of today's digitally connected world, which revolves around digital value networks as opposed to value chains. A second critical element of digital age value creation is customer-centricity. A new digital business transformation framework needs to be adopted that goes beyond the traditional and more linear model and reflects customer-centric value networks. This framework must be customer value-aligned and best practice and service oriented.

Digital transformation is firmly rooted in the heart of most enterprises' efforts to remain competitive and profitable in the global economy. To successfully embrace digital transformation, IT and finance organizations must be in close alignment.

Without this alignment and the agility to react quickly to rapidly changing market demands, organizations will quickly find themselves playing catch-up with their competition and losing valuable market share.

Tech: No longer a support function

One of the most important things that a CFO can do is to gain a deeper understanding of the role technology plays in future investments and how data can help their organization make informed decisions about these investments. Technology is no longer a support function. It is integral to corporate-wide policy and strategic direction. Finance must work in partnership with technology leadership to better understand drivers of the business to provide decision support.

Data is changing everything. Led by the Internet of Things (IoT), machine learning, and new business applications, digital transformation is reshaping all industries. While Amazon.com®, Uber, and Airbnb are oft-cited examples of digital disrupters, digital transformation has also come to the realm heavy industry.

The biggest lever for productivity, efficiency, and value creation across all industry sectors can be found in digital transformation. Transformation is not just process automation, but creating new value and new revenue from latent data assets.

Best-in-class companies know that while physical assets matter, those assets also generate data. Manufacturers can leverage this data to help make machines more productive and efficient, and help to reduce downtime.

Cloud-based infrastructure and applications along with business analytics are coming together with rapidly evolving employee and customer bases adept to new networked technologies and business models. This convergence is creating tremendous growth opportunities for companies across all industries, including manufacturing, financial services, consumer packaged goods, retail, and others to capitalize on the digital economy.

In today's digital world, customers are at the heart of demand-driven, fast-moving value networks. The most agile, customer-centric companies will win in the marketplace. Digital transformation is about closing the gap between what your digital customers expect and what your analog organization can deliver.

The technology platform typically associated with linear, process-led business transformation is an enterprise resource planning (ERP) system. ERP systems implement a set of integrated, end-to-end processes to manage the business and automate back office functions related to technology and services. While ERP systems will continue to be a core component of companies' technology stacks, digital transformation will increasingly rely on a broad range of technology tools that will extend business capabilities far beyond the core ERP platform.

Many emerging software technologies offer opportunities to improve both productivity and quality levels beyond what can be achieved with traditional ERP-based business process automation. Enterprise performance management (EPM) plays a pivotal role in helping organizations become more strategic in their use of technology as a business catalyst.

EPM is critical for finance organizations to offer value-added support for enterprise strategy and provide the business operators with valuable data insights.

The changing role of the CFO

Finance teams are leading business innovation as part of broad digital transformation initiatives. Why? Because the role of the CFO has changed. It's become more strategically focused, more value focused, and more future focused.

The modern CFO must approach strategy formulation and performance monitoring in an integrated framework that goes beyond reporting and enables better decision making that aligns operational strategy with business execution. As a strategic partner to the business, top CFOs and their finance teams utilize EPM solutions to strategize, plan, analyze, optimize, and close and disclose financial results in a scalable framework.

EPM solutions empower finance professionals with the tools to extend the capabilities of traditional ERP systems to drive digital transformation, including increased agility and accelerated planning cycles, improved decision support, and reduced time and user errors associated with manual processes.

[Learn more about EPM solutions >](#)

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