



Department  
for Business  
Innovation & Skills

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## Overview

### The need

New guidelines from the UK Treasury required BIS to report not only on its own finances, but also on those of its 40 partner organisations – creating a highly complex consolidated accounting challenge.

### The solution

As part of an enterprise performance management initiative, BIS worked with Deloitte to set up a Business Insight Competency Centre and develop new consolidation tools based on IBM® Cognos® software.

### The benefit

The data-gathering process for consolidations now runs two days faster, and five days have been saved on counterparty eliminations. Ad hoc reports can be created in 30 minutes – 50 times faster than before.

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# Department for Business, Innovation & Skills (BIS)

*Harnessing analytics to build a next-generation  
finance function*

In the wake of the global financial crisis, most public- and private-sector organisations are facing the challenge of needing to reduce spending and increase efficiency. Even saving a few thousand pounds can be difficult enough, but when you need to cut GBP1.5 billion from your budget, the challenge is on a whole other level.

The UK government's Department for Business, Innovation & Skills (BIS) is responsible for fostering the country's economic growth. It does this by investing GBP21.5 billion per year in 40 partner organisations that support education, innovation, science, research and the UK private sector.

Iain King, Head of Accounts Preparation and Advice Centre at BIS, explains: "With such large sums of public money at stake, HM Treasury needs to be confident that the funding BIS provides for its partners is being used appropriately. Equally, within BIS itself, we need to be able to identify opportunities to drive greater efficiencies and meet our budget reduction targets."

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*Setting up a Business Insight Competency Centre (BICC) has helped BIS keep its analytics journey on track. "If there's one lesson we have learned, it's that we should probably have set up the BICC sooner. A governance structure is vital to ensure that you prioritise the most valuable projects and don't get overstretched," says Iain King, Head of Accounts Preparation and Advice Centre at BIS.*

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## Solution components

### Software

- IBM® Cognos® Business Intelligence
- IBM Cognos TM1®
- IBM Cognos Disclosure Management

### IBM Business Partner

- Deloitte
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## Kick-starting the evolution of finance

Iain King continues: “When the Treasury introduced stricter accounting and reporting requirements in 2012, it triggered a re-think of our finance and accounting processes. We quickly realised that automation and analytics would be fundamental in helping us evolve into a next-generation finance function.”

Financial evolution at BIS is a wide-ranging initiative, encompassing areas including financial control, decision support, planning and partner management. Nevertheless, one specific requirement quickly made its way to the top of the priority list: consolidated accounting.

“In the past, each of our partners would manage its own accounts separately,” says Iain King. “But now the Treasury wants us to submit consolidated accounts and financial reports for all the organisations funded by BIS. It was clear immediately that a spreadsheet-based approach was simply not going to scale: we needed a more sophisticated solution – something like enterprise performance management.”

## Finding the right combination of software and expertise

Following a detailed procurement exercise, BIS decided to implement a suite of solutions from the IBM Watson™ Foundations portfolio, including IBM Cognos Business Intelligence, IBM Cognos TM1® and IBM Cognos Disclosure Management. The company selected Deloitte as the main implementation partner for the project.

## Learning the lessons of an ambitious project

As with any large-scale project, the BIS team faced its share of challenges during the implementation.

“We were already going through considerable change as an organisation, and the additional burden of this project led to a certain amount of fatigue and scepticism among the user community,” says Iain King. “Combining that with some delays and teething problems made it quite difficult to win people over at first.

“The lesson we learned was that you need to be very mindful of the impact on your users, and to communicate well. For example, if you are launching a new application with a web interface, users may expect it to perform as quickly and smoothly as a consumer website. To avoid disappointment, you need to manage their expectations and help them understand that it won’t be as responsive.

“Initially, the performance of the system suffered, which further challenged our ability to win over stakeholders. However, by identifying the issues we have been able to make improvements over time – although we still think we can enhance the usability and speed of the system.”

## Designing a robust governance framework

As the project progressed, BIS recognised that driving cultural change and user acceptance would be an ongoing effort. As part of its response to these challenges, BIS decided to set up a Business Insight Competency Centre (BICC), a central team who would be responsible for the ongoing development, management and governance of the department’s new analytics landscape.

“The BICC gives us a controlled way to deal with the department’s ever-increasing appetite for analytics,” says Iain King. “It’s vital to have a structured way of deciding which projects to pursue and prioritise – otherwise, with limited time and resources, it’s easy to get overstretched. That’s another important lesson for any organisation that embarks on this kind of initiative.”

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*“The IBM solution transforms complex consolidated accounting into a fast, streamlined and controlled process.”*

— Iain King, Head of Accounts Preparation and Advice Centre, Department for Business, Innovation & Skills

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### **Increasing control with a single source of truth**

The new consolidation process enables contributors from each of the 40 BIS partner organisations to submit financial information in a structured, controlled and automatically validated process. The central finance team can easily monitor the status of the process, seeing which partners have completed their contribution workflows, and which are still outstanding.

For the first time, the solution also provides a single source of truth for financial data: all reports, monthly or annual, internal or external, statutory or operational, are now generated from the same data repository.

### **Accelerating access to insight**

“Bringing all of our data together means that we can create reports and analyse the data much more easily and quickly,” says Iain King. “If a parliamentary question is raised about how much our partners spend on consultancy, for example, we can get the answer in about 30 minutes. Previously, this kind of ad hoc reporting could take three days.”

BIS has also seen some significant improvements in its financial consolidation process. It is able to pull together a “first cut” of the consolidated accounts two days faster than was possible with its old spreadsheet-based method – even with fewer team members working on the figures. The solution has also largely automated the counterparty eliminations process, so it can now be completed five days earlier.

### **Extending analytics to the wider family**

Looking to the future, BIS plans to start using IBM Cognos Disclosure Management to generate its annual and statutory reports – reducing the risk of manual errors by integrating up-to-date figures directly from source systems into the final report documents.

The department also has plans to introduce a number of other new analytics applications, which will continue the evolution of both the central finance function and its relationship with the partner organisations.

“At the moment, our central finance team gains the biggest benefits from our analytics platform,” comment Iain King. “In the longer term, we want to help our partners see more of the benefits too. It is one of our ongoing challenges to make this into a solution that works as well for them as it does for us.

“By establishing a common data language and common processes for financial management and analytics, we are hoping to bring them closer into the BIS family and give them new tools that make their lives easier.”

### **About the Department for Business, Innovation & Skills**

The Department for Business, Innovation & Skills (BIS) is the UK government department responsible for fostering economic growth. The department invests in skills and education to promote trade, boost innovation and help people to start and grow businesses. BIS also protects consumers and reduces the impact of regulation. BIS is a ministerial department, supported by 47 agencies and public bodies. It has around 2,500 staff in-house, and around 500 more working for UK Trade & Investment.

Its partner organisations include nine executive agencies employing around 14,500 staff.

To learn more, please visit  
[www.gov.uk/government/organisations/  
department-for-business-innovation-skills](http://www.gov.uk/government/organisations/department-for-business-innovation-skills)

## About Deloitte

Deloitte offers integrated services that include audit, tax, consulting and corporate finance. Its approach combines insight and innovation from multiple disciplines with business and industry knowledge to help its clients excel anywhere in the world.

Deloitte is an analytics firm, working with organisations to build the capabilities they need to make better and more informed decisions. Deloitte has expertise in supporting businesses along every step of this journey, from defining company-wide analytics roadmaps to solution design and delivery.

Deloitte recognises analytics as the natural evolution of business intelligence processes, tools and technologies. While business intelligence focuses on historical analysis, analytics builds upon this set of technologies and techniques to re-focus on the future, helping to predict future trends, opportunities and threats. Deloitte can help clients understand how to address these challenges and build the right capabilities to become an insight-driven organisation.

To learn more about Deloitte, please visit [www.deloitte.com](http://www.deloitte.com)

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## About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organisations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualise trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organisations can align tactical and strategic decision-making to achieve business goals.

## For more information

For further information please visit [ibm.com/business-analytics](http://ibm.com/business-analytics)



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