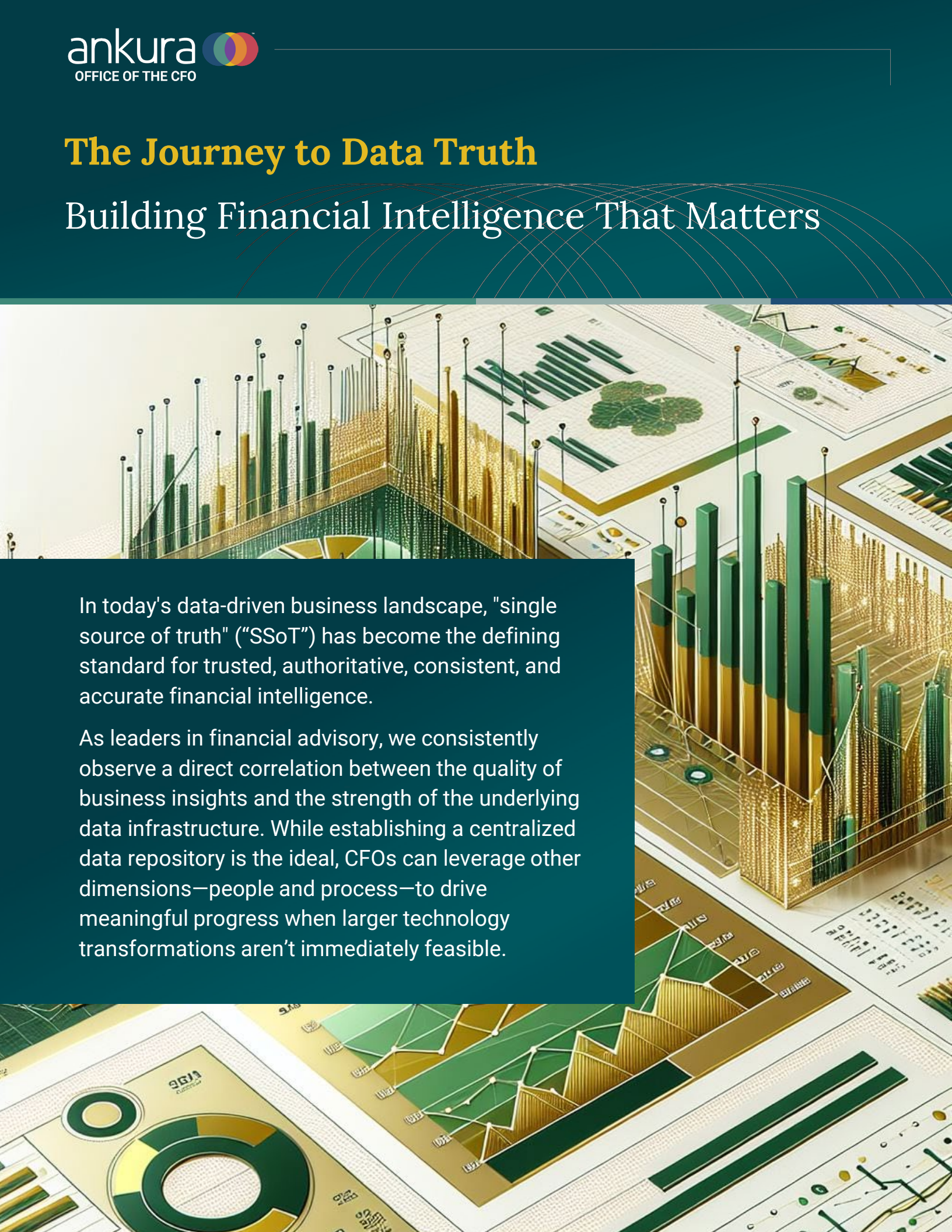


The Journey to Data Truth

Building Financial Intelligence That Matters



In today's data-driven business landscape, "single source of truth" ("SSoT") has become the defining standard for trusted, authoritative, consistent, and accurate financial intelligence.

As leaders in financial advisory, we consistently observe a direct correlation between the quality of business insights and the strength of the underlying data infrastructure. While establishing a centralized data repository is the ideal, CFOs can leverage other dimensions—people and process—to drive meaningful progress when larger technology transformations aren't immediately feasible.

The All-Too-Common Data Dilemma

Consider this scenario: A high-growth technology company approached us with a seemingly straightforward request to help them understand their true customer acquisition costs across different market segments. Underneath this simple question we uncovered a maze of disconnected data sources, inconsistent metrics definitions, and manual processes that made reliable analyses nearly impossible. This situation is not unique; it's a challenge that resonates across industries and scale.

BUILDING THE FOUNDATION

Given finite resources, the path to reliable financial intelligence requires a methodical approach. Here are key insights we've learned from numerous engagements:

The “Key” in Key Performance Indicators (“KPI”)

KPIs should be a proxy for company performance against strategic objectives. Most companies take an overly expansive approach to KPI selection which creates two significant challenges; it burdens analysts with excessive data gathering at the expense of high-value analysis, and it confuses leadership with contradictory signals, leading to decision paralysis or demands for yet more data. We typically find that no more than three well-chosen KPIs per strategic objective creates the optimal balance.

Start with Decision-Making Needs

Organizations frequently collect data without clear purpose, creating unnecessary complexity and noise. Begin by defining the specific decisions each level of the organization needs to make, then work backward to identify the essential metrics and data points required. Implement appropriate controls—whether through technology configuration, process refinement, or clear employee guidelines—to ensure data quality at each critical juncture.

Standardization Before Automation

While the temptation to implement automated solutions is strong, establish standardized definitions and processes first. Begin with a business glossary that clearly defines metrics, targets, and known data limitations. Document each data inconsistency and create focused remediation plans. We have seen clients save months of implementation time by aligning on key definitions and hierarchies, while simultaneously shifting their improvement mindset from discrete to continuous.

Cross-functional Partnership

Finance cannot effectively solve data challenges in isolation. The most successful transformations involve strategic collaboration between finance, operations, IT, and business units. Recognize that current data challenges rarely stem from decisions made by current leadership; instead, position Finance as the catalyst for organizational improvement. When presenting data challenges to leadership, articulate a clear, sustainable vision for remediation that acknowledges both immediate costs and long-term returns.

Process Excellence: The Foundation for Technology Success

A sophisticated BI tool deployed on poorly structured data and inconsistent processes merely automates inefficiency. Prioritize developing your team's analytical capabilities and business understanding first. Enable them to ask incisive questions, interpret business context, and maintain data discipline. This human-centered approach, combined with streamlined processes, creates a robust foundation that technology can enhance—not replace.

One of the most common pitfalls we observe is the rush to implement new technology solutions before addressing fundamental process issues. "Process first" should be your guiding principle. Process improvements are typically less costly, faster to implement, and less disruptive to your organization.

When processes are optimized to a commensurate level of your technology landscape and team capability, then consider technology enhancements through this sequence.

1. Evaluate technologies in use across your organization that may be underutilized or could be reconfigured for your needs
2. Explore additional modules within existing technology suites
3. Only then consider new solutions when nothing in-house meets your requirements

Finance leaders should resist contributing to technology sprawl or creating shadow IT systems that confuse the organization and increase cybersecurity risk.

Important note: If you lack a comprehensive technology inventory, create one immediately and implement a structured technology procurement policy. Every additional technology platform increases maintenance requirements and potential security vulnerabilities.

Strategic Questions Every CFO Should Consider

As you evaluate your organization's journey to data maturity, consider these critical questions:

- What is the ratio of time your team spends gathering data versus analyzing it?
- Can you trace every metric in your executive dashboard back to its source system and validate its accuracy?
- Do all stakeholders share consistent definitions for your KPIs?
- How quickly can your finance organization respond to strategic business questions with data-driven insights?
- What controls exist to ensure data quality scales with your business growth?

Impact on Value Creation

The real power of working toward a SSoT extends beyond operational efficiency. It enables organizations to:

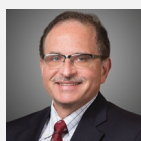
- ✓ Identify value creation opportunities with greater precision
- ✓ Respond to market changes with agility
- ✓ Make more confident investment decisions
- ✓ Drive accountability through transparent performance metrics
- ✓ Accelerate strategic initiatives with reliable data backing

The Continuous Journey

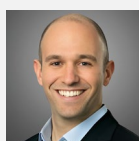
The journey to data truth is ongoing. As business models evolve and new data sources emerge, maintaining data integrity requires sustained commitment. However, the returns—measured in faster decision-making, reduced risk, and improved business outcomes—far outweigh the investment.

About Ankura Office of the CFO®

Ankura Office of the CFO® partners with organizations to build robust financial intelligence capabilities that drive value creation. Our team combines deep financial expertise with practical technology solutions to help clients transform their finance functions from data aggregators to strategic business partners. We work alongside management teams to establish sustainable data governance frameworks, optimize financial processes, and deliver insights that enable better business decisions.



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