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Turning Data Into Intelligence

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Banking on Corporate Performance Management

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Banking on Corporate Performance Management

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As one of California's most prominent financial institutions, City National Bank is a leader in our industry. Similar to other profitable, growing organizations, we had a homegrown Excel-based performance planning and measurement system with all the standard shortcomings. Our biggest problem was the distributed "master" budget-input template. An innocent user mistake, such as someone typing over a formula, deleting or adding a row, or changing a rollop could wreak havoc on the consolidation process and on our ability to do multiple budget iterations.

We went from mid-year forecasted line items to summary level annual budgets, which led to huge actual-to-budget variances as well as a fundamental inability to pinpoint problems and identify trends. Further compounding the problem was the fact that our various data sources were not interconnected – our incentive compensation system was separate from our performance measurement system, making it difficult to accurately scorecard progress.

KCI CONTROL

City National Bank uses CONTROL, a powerful corporate performance management (CPM) solution from KCI Computing, Inc. CONTROL leverages relational technology to unite critical financial and operational data to deliver the cohesive and transparent view necessary to align strategy and action. CONTROL speeds, simplifies and unifies all financial functions, processes and data, putting everyone literally on the same page.

Perhaps most telling, at monthly management meetings, every division executive reported different results based upon their definitions of the summaries and data silos.

In order to resolve these issues, City National decided to implement a business performance management solution. Led by our CFO, we established a formal section committee to evaluate and choose a solution that would bridge the process and data gaps in the most cost-effective way. Gathering a team of executives from different divisions, we evaluated a number of solutions against criteria ranging from capabilities and technologies to a vendor support model. We also called other companies that were using the software under consideration and probed deeply into how it was used.

Our goal was to find an all-encompassing tool that would provide a single, cohesive mechanism through which the entire

organization could manage and monitor business performance while still maintaining a level of simplicity that even the most non-tech-savvy members of our staff could utilize. However, because the tool needed to augment our current systems to a degree, an Excel interface was a requirement. Essentially, we were looking to do several things: Create links between budgeting, forecasting and simulations; seamlessly approach profitability management, cost management and performance management; tie together disparate applications; and create clarity between departments. We selected CONTROL from KCI Computing as our performance management platform primarily because it is integrated and dynamic.

First, we required a proof of concept and made it as extensive as possible to give us complete assurance our requirements would be met. We also encouraged all of our C-level executives to attend the demonstration so they could get a true sense of what we were buying. We brought in our IT department to evaluate our top three choices to ensure the technology could readily interoperate with existing systems, applications and initiatives.

KCI's CONTROL met all our requirements. It brought together all aspects of CPM in a single platform, provided the familiar, easy-to-use Excel interface, used a SQL Server database and .NET technology and did everything dynamically in real time. KCI is locally based and has a very tightly integrated support/development team. Plus, CONTROL is cost-effective.

Overall, CONTROL has given City National an entirely new level of organizational visibility. Because we now have the ability to budget on a very granular basis, everyone is coordinated. We are able to closely monitor and analyze data from myriad perspectives, giving us complete transparency. We save a significant amount of time during the budgeting/forecasting process, but, more importantly, we can thoroughly and precisely plan complex drivers. At the same time, CONTROL makes it easy to do thoughtful analysis and what-if scenarios, giving us unparalleled insights and predictability.

Success with a CPM solution implementation requires not only a holistic product with superior functionality and flexibility, it also requires a commitment from the organization internally to fully integrate the system into daily business operations. Beyond our executives, senior leaders and IT teams, we involved colleagues at all levels to truly gauge what was needed and expected from the solution. We found that a little extra time spent during the implementation phase will pay off for years to come. When implemented correctly, a CPM solution can significantly reduce the time and effort needed to budget, plan and forecast effectively while adding important synergies between departments and throughout the organization as a whole. By adding organizational visibility, our new solution helps us ensure the organizational alignment needed to effectively steer our business over both the short and long term. 