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By Rob Starr, Content Manager, Big4.com<<http://Big4.com>>

Michael Flagiello, Partner in the Financial Services Consulting Group for WeiserMazars, has an undeniable enthusiasm for his work that was readily apparent when we sat down to talk to him last week about the findings from the WeiserMazars 2012 Insurance Finance Leadership Study. The study found that 66% of high-performing insurance companies (those with Return on Capital higher than 10%) close their books in less than 15 days while only 33% of low performers (those with ROC lower than 10%) met that timeline and that a synergy between the IT and finance departments was a critical factor.

Being a consulting partner means having many clients, being in the space and seeing live what’s going on out there with real live data and getting CFOs to respond to a survey, he said. He was referring to *WeiserMazars LLP annual 2012 Insurance Finance Leadership Study of Chief Financial Officers (CFOs) that was recently released.*

**Spreadsheet scenario**

He started the discussion noting scenarios he had run across where it wasn’t unusual for larger companies to have as many as 500,000 spreadsheets supporting documentation and wondered why.

CEOs are doing a great job buying business units and increasing the global footprint, he said. They are able to leap tall buildings in a single bound these days with technology as our friend.

Flagiello noted these CEOs face questions after these acquisitions, not the least of which is how to integrate these purchases into an existing finance platform. Spreadsheets were the favored way that IT departments had for solving these issues, but there were some flaws with the processes that were highlighted by the WeiserMazars study.

We did a whole analysis on if the spreadsheet is being used for 12 to 18 months, the costs skyrocket and it becomes apparent these should have been put into your infrastructure or platform in a more permanent way.

**Legacy systems and quality**

Another factor that became apparent through the study was legacy systems and how they affected the quality and portability of data. Flagiello highlighted during these times of increased regulations, using spreadsheets adds cost dollars and time as well as increases in mistakes.

The quality of the data from manual efforts is obviously much worse and less timely; he said adding that it would be much more efficient to have these functions built into an infrastructure in a more permanent way. The study also found that these legacy systems were far from an easy cost to approach the Board of Directors about. The study found that 50% of CFOs believe legacy systems significantly impact the quality of data and substantially limit the introduction of new technologies.

These are big numbers (to migrate), Flagiello said. It’s not an easy task.

The conversation then moved to solutions to bridge this gap like the cloud and how the WeiserMazars survey showed a much more relaxed attitude than in previous years. The survey also found that work flow tools were solving some of the issues that had hindered the migration of legacy systems.

Some of these work flow tools solve some of the problems these legacy systems have, Flagiello said. He concluded by noting that companies that fixed older processes were in much better shape when the time finally came to migrate.

It really gets down to if you have a good process and you really have control over your data, you’ll have a much better shot at a migration when you’re ready to go.

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