For years I’ve been trying to come up with a snappy, aphoristic explanation of why so many CFOs and controllers have absorbed the responsibilities of the chief information officer. It’s not easy because the underlying reasons are not that trivial, nor are they limited to smaller companies with flexible structures, fluid job descriptions, and frequently blurry lines in the division of responsibilities. Larger companies and even international conglomerates have experienced the same qualitative change.

There are, as always, unique explanations pertaining to individual entities, but it is possible to isolate a few general causes behind this functional blending:

- Historically, a large portion of data processing has been related to accounting and finance tasks, so CFOs have naturally been positioned as leaders of computerization movement.
- A substantial portion of analytical reporting has always been expressed in monetary terms, thus placing the responsibility for it into our hands.
The perceived reliability and meticulous disposition of financial professionals make them obvious candidates for making decisions that may cost a lot of money but must create improvements in the company’s performance.

Regardless of the etiology of this change, the fact remains that many CFOs and controllers are heavily involved in the information technology (IT) matters of their employers. For this reason, I felt compelled to start this part of the book, primarily devoted to data digestion and analytics, with a chapter on the responsibility many top financial managers are expected to add to their job descriptions: the selection of functional software. Without a doubt, we have a vested interest in making the best decisions we can within given constraints, because ultimately they influence our own ability to extract relevant data and compile a system of reports that will accurately reflect the business’s current state of affairs. There is no question that successful data mining is dependent on a computer system’s capabilities. So, why would we want anybody else choosing applications for us?

Software: Weighing Pros and Cons

If you are empowered with the authority to select, improve, or upgrade the technological and computing environment of your employer, keep in mind that this is a task that demands wearing many hats at once. You must optimize sometimes contradictory considerations, constantly keeping in check the desire to satisfy your departments’ priorities first; plus you must fit the project into your own budgetary calculations. You want to be a strategic thinker. You want to be an agent of change that will propel your company into the future. You envision information seamlessly flowing from product design to financial statements. But can it be done with minimal capital investment? The strategic plans of business development must be weighed against the streamlining of operations, the integration of data against internal controls, customer service expediency against cost efficiency, and so forth. If it sounds like an impossibly difficult task, that’s because it is.

It is a good idea to start by making a list of everything you may want from a system and prioritizing it in the order of importance for the entire organization. It should be as detailed as you can manage. I have seen so many companies making expensive IT choices based on someone’s suggestion (“Oh, it’s a great program. I love it!”), or because they liked the first presentation, or because they were impressed with the look and feel of a particular entry screen. The right thing to do is to think very hard about the expectations of every single user and every single information recipient. Whether the end