Financial data tells powerful stories. There may be stories in your data that could be the key to hidden opportunities and the answer to some of your organization’s issues. Using financial analytics, you have the opportunity to translate data into valuable insight around your financial operations and statements. You may be able to identify unexpected potential which will take you to a new level of insight and performance.

The evolution of financial analytics has been driven by the emergence of new business models, the changing role of the finance department, modifications to business processes and advances in technology. This dynamic environment presents the CFO and the finance function with tremendous opportunities and challenges.

New IT applications and infrastructure like big data technologies, predictive and prescriptive analytics, as well as modern mathematical methods are opening up new possibilities for gathering and processing large amounts of data and opportunities to generate value from your financial data. This is why analytics is on everybody’s agenda.

Key to the successful application of analytics, however, is not technology, but data. This is why we differentiate analytics from a content point of view: financial analytics, forensic analytics, operational analytics and strategic analytics. With our financial analytics services, we specifically respond to the needs of the CFO and the audit committee.

Financial analytics is the collection, combination and exploration of accounting data to create insights that support your decision-making processes. This may help you improve your accounting data integrity and quality, enabling you to produce more reliable reports and insights within the accounting, finance, governance and regulatory space.
Finding the right way forward for your finance organization

If you recognize any of these challenges in your business, EY can help:

• Do you lack reliable insights on the impact of new accounting standards like IFRS 15 Revenue Recognition or IFRS 16 Leases?

• Do you update your internal financial controls on inventory, revenues or asset or project management manually? Do these controls lack insight?

• Do you lack reliable measures of successfully migrating financial data from one system to another?

• How do you predict the financial outcomes of a carve-out transaction and how do you predict the impact of a purchase transaction on your financials?

• In case of an audit remediation, how do you revalue past depreciation?

• Do you have several lines of business, but cannot sufficiently compare the financial performance of your products?

• Do you feel your reporting is inconsistent because different systems produce different numbers and descriptions for the same concept?

• Do you spend more time analyzing finance data than responding to the insights?

• Do you feel the need to not only report results, but also to predict future trends?

• Do you lack the ability to achieve a single view of your debtors?

Without the personnel, time or experience to conduct financial analytics, your organization may be exposed to unnecessary risk and delay.

In general, business is moving toward a more data-centric approach. Every sector is facing the challenge of how to transform data effectively and efficiently into meaningful insights that support strategic business objectives. Financial analytics is becoming a standard competency. Top-performing companies leverage financial analytics to guide future strategies and daily operations. This means that a high level of competence in financial analytics is becoming increasingly valuable to organizations.

The services we can offer may vary as certain of our services for an audit client and its affiliates may be more limited in order to comply with applicable independence standards. Please reach out to your EY contact for further information.
Our Financial Accounting Advisory Services (FAAS) professionals provide a full range of financial analytics services. We can provide a team with a broad range of financial analytics related skills to help you address your issues. Our service portfolio covers the following areas: accounting analytics, financial process analytics, transaction analytics and finance forecasting, and audit remediation analytics.

**Team skills**

EY has people with a mix of skills, who understand your business, know how to handle your data, have the suitable mathematical models and the right tool set to support you with your specific needs. Besides the application of suitable analytical methods and technology, EY professionals can also advise you on the strategic planning, the integration in your organization and the technical and functional conception of financial analytics projects. The financial analytics services are supplemented by technology, mathematical models, processes, accounting and regulatory knowledge.

We can bring along our array of financial analytics applications that goes far beyond regular data analytics applications and simple spreadsheets, and includes high-performing and easy-to-use applications. If you prefer, we can also work with the tools you already have in place in order to increase the return on your investment. For specific accounting situations, we also have specific applications that we can employ according to your needs.
Our FAAS professionals have experience of working with a broad range of organizations to help them analyze their financial data.

Here are some examples of how we can assist you:

<table>
<thead>
<tr>
<th>Accounting analytics</th>
<th>Finance process analytics</th>
<th>Transaction analytics and finance forecasting</th>
<th>Audit remediation and audit support</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Accounting change scenario and impact analysis</td>
<td>• Automation of routine internal controls</td>
<td>• Transaction accounting analytics</td>
<td>• Audit remediation</td>
</tr>
<tr>
<td>• Financial statement business analysis</td>
<td>• Multidimensional control portfolio analysis</td>
<td>• Regulated sector analytics</td>
<td>• Financial reconciliation</td>
</tr>
<tr>
<td>• Accounting compliance analysis</td>
<td>• Financial data migration validation</td>
<td>• Business analytics and risk insights for the audit committee</td>
<td>• Accounting compliance remediation</td>
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<td></td>
<td>• Consolidation</td>
<td>• Use of advanced accounting analytics for value-added business insights</td>
<td>• Product remediation</td>
</tr>
<tr>
<td></td>
<td>• Use of advanced accounting analytics for value-added business insights</td>
<td></td>
<td>• Customer remediation</td>
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</tbody>
</table>

**Accounting analytics**

When transitioning from IAS 17 to the new IFRS 16 Leases, our leasing analytics provides scenarios and impacts on prospective financial statements to support the appropriate accounting change strategy and give you confidence in the output.

Our services include the use of advanced accounting analytics for value-added business insights. Whether it is a business risk impact dashboard or a financial product analysis to apply hedging strategies, we can support you in generating enhanced and aggregated information needed to make the right decisions.

**Financial process analytics**

A three-way-match dashboard could be implemented to provide continuous insights into the quality of the controls performed in your goods entry. We can support you with a multidisciplinary team that can work with models and tools to visualize the source data that underlies your internal control system in a meaningful way.
Transaction, regulatory and government analytics

In a carve-out situation, we can support you with a reliable decision basis to improve the quality of your necessary estimates. Also, in a purchase transaction, we can help you estimate day one as well as ongoing financial impacts.

Audit remediation analytics and data support

In a situation where an improper customization of the ERP system (e.g., defective depreciation) is detected, we can help with a proper reporting and visualization of past data (e.g., revaluation of past depreciation).

Service approach

Within financial analytics projects, we use our proven five-step approach to provide you with a comprehensive report as quickly as possible. From diagnostic to realization, we offer end-to-end services for the CFO.

It is important that organizations use their data as a source of valuable insights so that they can take immediate action to correct the present state where needed, or reveal the path to a successful future state.

Financial confidence

Financial analytics helps identify trends and anomalies early and thereby reduces later validation and auditing efforts, and increases confidence in the numbers and processes.

Business and risk insights

Financial analytics can provide real-time monitoring of control performance and traceability on automated controls down to transaction level, increasing transparency.

Financial analytics provides more insight and enables management to make more fact-based decisions.

Enhanced efficiency and improved quality

Financial analytic dashboards can be used to directly access reports on controls and single transactions at any time for improved oversight by management and the board.

Financial analytics can be applied in the automation of internal controls, which reduces costs of control performance with the potential to simultaneously increase the population controlled.

Financial analytics provides data-supported risk analysis for audit planning and focused audit.

What benefits can you expect?
EY professionals offer innovative, high-quality service delivery to address your agenda. We bring a passion for excellence, tailoring our support to your needs, delivering a multidisciplinary approach that offers integrated and comprehensive guidance. Our people have a wide range of backgrounds from accounting to book keeping, mathematics to computer science, and financial auditing to quantitative analytics. We build highly effective teams that are driven by a single common goal: to simply deliver the best client experience.

We use our global network to draw on the diverse and in-depth skills of teams in more than 175 countries. This globally connected, multidisciplinary and locally delivered model will help you to meet your business objectives. Our financial analytics experience can be supplemented by our experience with forensic and compliance analytics, operational and tax, analytics and strategic analytics, tailored exactly to your needs.
Selected credentials

We have supported many organizations globally to analyze and review their data. Below are some examples of company activities for which we have provided assistance:

<table>
<thead>
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<th>Power and utilities</th>
<th>Telecommunication</th>
<th>Life science</th>
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<tr>
<td><strong>Finance process analytics</strong>: the company replaced significant number of manual controls with financial analytics which was the key differentiator in the audit proposal phase</td>
<td><strong>Accounting analytics</strong>: diagnostic to determine impact of IFRS 15 on the IT landscape</td>
<td><strong>Finance process analytics</strong>: three-way match reconciliations, dash-boading, internal controls improvement</td>
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<th>Health care</th>
<th>Pharma</th>
<th>Automotive supplier</th>
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<td><strong>Audit remediation analytics</strong>: full population analysis of billings and remediating process setup</td>
<td><strong>Audit remediation analytics</strong>: 10 years retrospective asset depreciation revaluation, assessment and remediating process setup</td>
<td><strong>Transaction accounting analytics</strong>: asset evaluation and assessment, scenario analysis and purchase price allocation</td>
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<th>Airport retailer</th>
<th>Logistics</th>
<th>Bank</th>
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<td><strong>Finance process analytics</strong>: GL and SL analytics to derive gross margins for various products, business units to benchmark and optimize their sales strategies</td>
<td><strong>Finance process analytics</strong>: review and improvement of data migration of monthly financial statement actuals vs. forecast reporting</td>
<td><strong>Regulatory sector analytics</strong>: review of data flows, drafting pre-submission validation rules</td>
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