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BUSINESS INTELLIGENCE IN FINANCE: IMPACT OF TOOLS AND ANALYTICS

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Abstract

Controlling the implementation of the profit plan, locating sources of financing, consolidating reporting, budgeting, and evaluating the performance of the business are frequently the primary day-to-day responsibilities for many CFOs. They collect information from a variety of sources to comprehend how things are progressing; in large businesses, they examine hundreds of indicators. The financial services industry is based on data, and the business environment is producing more data than ever before. Terabytes of information come from accounting sheets, solicitations, journal sections, and all the other things you can imagine. This level of detail is crucial: It makes it possible to collect a lot of data, which, when further structured and analysed, can help you find patterns that aren't obvious but are important for making decisions that are relevant, balanced, and reasonable.

Keywords: Business Intelligence, Data Analytics, Business Investigation, Tools, CRM, ERP

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1. INTRODUCTION

To get the most out of data, a CFO must be able to conduct in-depth analysis of all types of data, but this takes half a lifetime. Financial Business Intelligence comes to the rescue in this situation [1]. Your business gains: With the introduction of **Business Intelligence solutions:**

- Big data analysis
- Reporting that enables you to monitor numerous important metrics, identify deviations in them, and adjust plans on time
- Modelling business decisions and forecasting based on data analysis

As a result, the utilization of Business Intelligence for financial services is essential for unlocking the full potential of the organization, its products, and services, as well as for assisting in the making of precise and correct decisions. In today's article, let's look at how Business Intelligence can help financial services [2].

BUSINESS INTELLIGENCE PERSPECTIVE

Business intelligence: What Is It?

How about we start with hypothesis. Business Intelligence (BI) is a technology for business analysis that makes it possible to maximize data-driven decision making by allowing you to calculate key performance indicators and visualize their dynamics. A BI system needs high-quality data to solve problems accurately and promptly. Using the capabilities of BI for finance, you can get a sense of the business and use it to update financial indicators, optimize supply chains, and make more

informed decisions on everything from marketing to mergers and acquisitions. All financial records received during business activity are a key source of data.

It frequently happens that Business Insight is mistaken for Business Investigation (BA), yet be cautious — these are two totally various ideas. Business Knowledge is tied in with giving the right data to the ideal individuals brilliantly and in the correct manner. For instance, a CFO can plan for the following month based on the income from the previous month [3]. Because it makes it possible to look into the future, Business Analytics is more intellectual because it is used to assist in forecasting. This means that the financial director will be able to build models to predict how income will change in the future and will be able to comprehend why certain processes affected it in a certain way using BA.

BI framework functionality

- Data collection—automatic downloading of data from enterprise resource planning (ERP) and customer relationship management (CRM) systems
- Analytics—BI tools need to be able to pull data from the warehouse to carry out these various types of analyses [4]. They need to be stored somewhere so that they are simple to locate if they are required. They show key performance indicators (KPIs) and let you see how they change in real time.
- Reporting: all of our data and analysis is pointless if it doesn't get to someone who can use it to make a decision.



Figure 3.1 Business Intelligence Perspective

Benefits of Using Business Intelligence for Finance:

Financial directors who keep up with the times and use Business Intelligence in financial services automate reporting and reduce the amount of manual and routine work in the activities of financial departments [5]. BI should convey data and ideas in a way that people with less context can quickly understand and use them. They control all cycles in the organization, are participated in essential preparation and business improvement, and are the right

hand of the President and proprietor. Additionally, their assistant is a business intelligence (BI) system that converts intelligible reports out of disparate data gathered from all IT systems.

The benefits of using Business Intelligence in financial services have already been discussed. Let's delve a little further into the subject and examine the specific ways in which businesses will gain from implementing financial Business Intelligence [6].



Figure 4.1: Benefits of using Business Intelligence for finance

Better Decision Making:

Companies all over the world are proving that data-driven decision making and the use of BI systems in the workplace can boost profits. You can easily monitor the financial activities of the company with the help of BI tools, evaluate the market and credit risks of the company, and assess how a potential strategy can affect the profit that is received. Financial services business intelligence improves the speed and accuracy of making strategically important decisions by making data analysis more efficient.

Let's look at situations in which Business Intelligence can be of assistance.

For instance, the financial area is dependent upon a severe administrative structure, which requires specific watchfulness and straightforwardness in direction. This is because large amounts of data need to be managed in numerous areas: customers, indicators, data from banks, market conditions, and other things with BI for banking, there will be no doubt about the dependability and accuracy of the tools used to process data without making mistakes to guarantee that certain decisions are made correctly.

Efficient



Figure 4.2: BI Financial Works

Mechanical information assortment and revealing take up the vast majority of the business day of experts and lenders. When it comes to data collection, entry, analysis, control, and use, a good BI system helps save time. Businesses can quickly extract the necessary data from huge amounts of unorganized data with BI. With automated reporting from BI for finance, you can set up an algorithm for working with various types of data and then automatically use it an infinite number of times. This enables financial experts to make better business decisions thanks to immediate access [7]. Data consolidation and error minimization large business managers are unable to see the whole picture because many IT systems are not well integrated. Excel sheets like accounting, CRM, invoicing, payroll, and others, among other things, let you collect a lot of data but don't let you analyse it or use it as a tool for making decisions. [8] Combining and organizing a large amount of data from multiple sources is difficult. Imagine having to manually process all of this data. Due to human nature, mistakes are unavoidable, and by the time you finish, the output will almost certainly be out of date. This issue is resolved by BI systems, which function flawlessly. You can synchronize data with Business Intelligence for finance to make decisions and reduce human error. As a result, it enables you to research the past, prepare for the future, and evaluate how things might have turned out in a different setting [9].

Most extreme Detail and Further Developed Revealing Regardless of the intricacy and length of the revealing system, in Succeed, we get information up to the second degree of detail. The process of re-uploading the data and consolidating the report is an endlessly complex one if you want to investigate any of the indicators [10]. How does monetary Business Knowledge tackle this issue? You will want to dive into exchanges and any essential report. BI makes it possible for all employees to simultaneously view and analyse data from all systems and, of course, create detailed and easy-to-understand reports that enable authorized individuals to quickly carry out their responsibilities [11].

Increasing Security because of technological advancements, money launderers have rapidly adopted the virtual space. As a result, businesses must take measures to assist them in gaining confidence in information that is based on facts and reduce risks wherever possible. There are many kinds of fraudulent activities that take place in the financial sector, such as the illegal use of personal information and the theft of bank data [12]. Additionally, outsiders as well as employees of your business may commit fraud. Business Knowledge in the monetary administrations industry guarantees that dangers are recognized as fast as could be expected and settled straightaway.

For instance, among the problems that need to be fixed as banking becomes more

integrated, fraud is at the top of the list. Problems can be identified, and risks reduced as quickly as possible with the use of BI for banking, such as the search for suspicious transactions, tracking employee activities, scanning overdue banking transactions, etc [13].

How Business Intelligence in Financial Services Works

Increasing Profitability Using business intelligence (BI) in finance, you can spot trends and patterns in both structured and unstructured data. A lot of information can be gathered, processed, relationships discovered, and strategies for making decisions and adjustments made thanks to this. Organizations can diminish progressing expenses and capitalize on accessible assets and experience by investigating cycles and exercises inside a mission [14].

With the assistance of Business Knowledge for finance, you can get precise and convenient data about ordinary and beneficial clients, offer them new items and administrations, and increment deals and benefits. Additionally, analytical services and BI systems, which are made to process, visualize, and analyse large amounts of data, will assist you in acquiring new clients by providing information such as the cost of attraction, the average sale of a new client, and so forth [15].

Cash Flow Management:

When the company uses Business Intelligence, financial regulation is made much simpler because all expenses are tracked automatically and almost in real time. As a result, locating the cause of the issue and devising a solution won't take long in the event of a cash crunch or excessive spending. Additionally, since the financial director is able to precisely determine the amount that needs to be allocated as well as the time frame within which this amount will be reimbursed, business intelligence in finance aids in the planning of costly waste or purchases [16].

Revenue Management On the basis of a dataset, BI for finance makes it possible to conduct in-depth analysis even at the planning stage of a sale, allowing you to determine whether the final results will conform to the business plan and, if so, how accurate the projected sales revenues will be. Furthermore, Business Insight gives profound granularity, however it likewise does it rapidly, which is a basic variable given the direness of executing exchanges [17]. BI helps with the assessment of future exchanges, yet in addition with the development of costs for items considering the examination of the market of contenders, limits, the quantity of refusals of buys, and so on., and with the development of a strategy by analysing the payback, income contributions, and profitability of products, among other factors [18].

When a business is going through a difficult time, business intelligence (BI) can help CFOs sort through the disparate and unrelated data sets that make it difficult, and sometimes impossible, to fully diagnose the reasons behind unsatisfactory results.

Understanding Customers by incorporating data from Business Intelligence into finance processes, businesses can track and analyse customer data to identify purchasing patterns and habits. You can optimize services to increase current sales and ensure long-term customer loyalty by fully comprehending your customers' needs and preferences. Additionally, new markets and opportunities to expand your customer base can be discovered through predictive data analysis [19].

With information about their customers' profitability, banks can find more cost-effective ways to interact with them. For instance, a customer who uses cash to pay bills at a bank can be convinced to use online banking.

Planning and Analysis It goes without saying that just collecting data is insufficient: The most significant challenge for modern businesses is analysing,

managing, and making use of it. The foundation for the timely, accurate, and automated analysis of various financial data is laid by financial business intelligence, which maximizes planning efficiency. In the financial services industry, the capabilities of Business Intelligence go far beyond predicting earnings and sales one quarter in advance. Almost any factor that can have an impact on a company's bottom line can be better understood with BI: charging and income age, the effect of estimating strategies, stock levels, deals, client care expenses, and that's just the beginning.

Management of reports A bad report is worse than no report at all. As a result, receiving well-written and accurate financial reports is crucial. Business intelligence in finance ensures that you receive accurate, analysed, and well-structured reports in the form of graphs and charts by extracting all of the necessary data from the company's expense management workflow. As a result, the finance department is able to spot errors quickly, rectify them, and make decisions based on facts rather than assumptions [20].

Increase in Productivity in business, every day that passes without a decision being made or a problem being found costs a lot of money. Finance business intelligence identifies specific problems your company is having so you can make specific changes right away. With the assistance of BI, all workers can screen the essential creation processes progressively, and with the setting of alarms, they are promptly told of issues. Production shutdowns, which can significantly lower productivity, are prevented by this.

How BI Solutions Boost Performance and Growth

Measure and keep track of everything: Utilize a single environment to simultaneously capture and analyse your business's online and offline data streams. You can break down complex goals into manageable chunks and focus employees'

attention on the factors that lead to measurable outcomes by employing data visualization and customized dashboards.

Business insight mining: Establish benchmarks for your company's operations, look for patterns and uncanny correlations, comprehend the causes of your ups and downs, and reveal opportunities and threats. You can learn about customer behaviour, employee performance, supplier and partner interactions, and more through comprehensive data analytics.

Trends capturing and forecasting: Examine authentic and ongoing information at the same time for better assessment, asset arranging, and quick reaction to changing economic situations. Intelligent data analytics, in contrast to conventional methods of analysis, is much more accurate and responds much more quickly, providing you with up-to-date insights when they are relevant and useful.

Self-service business intelligence: Access data and create visually appealing dashboards, insightful reports, and individualized alerts to spot trends and anomalies even if you don't have a technical background. Employees are able to use BI on a daily basis, make educated guesses, reduce time to insight, and eliminate IT or data analyst bottlenecks by having quick access to up-to-date data in one location.

2. CONCLUSION

In this article by providing the business with an automated system for analysing historical, current, and forecast business operations, Business Intelligence (BI) can be the CFO's best friend. The company's finances require constant control and attention. Execution of BI for finance is a fundamental stage for moving towards proactive administration of the monetary consequence of an undertaking. Business Intelligence for financial services systems from NIX United help businesses measure

big data and make useful forecasts based on your findings and analysis. Make accurate and correct financial decisions based on the data collected by BI to unleash your company's full potential and its products and services.

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