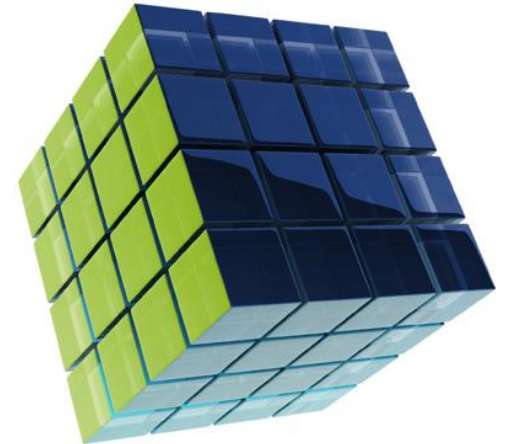


Annual Shared Services and BPO Conference 2013

Is analytics the holy grail?



Sharjeel Suleman, Paul Albert, & Gareth James



Is Analytics the Holy Grail?
Sharjeel Suleman

ITV plc – Quick Background



ITV plc is the UK's largest integrated producer broadcaster

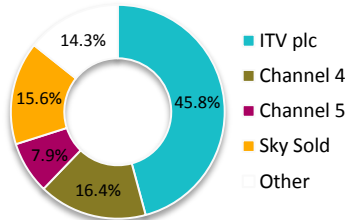
Broadcast & Online

- ITV is the largest commercial television network in the UK operating a family of channels - the rebranded ITV and digital channels ITV2, ITV3 and ITV4
- In 2012 ITV broadcast 99% of all commercial audiences over 5m
- ITV2 and ITV3 channels remain the UK's two largest digital channels

ITV Studios

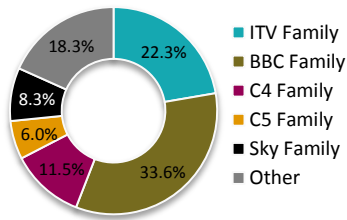
- ITV Studios UK is the largest production company in the UK producing 3,000 hours of original content each year
- ITV's International production business has five bases – US, Australia, Germany, France and the Nordics
- Global Entertainment licenses ITV's finished programmes and formats and third party content internationally – promoting an archive of around 35,000 hours

UK Share of Broadcast (SOB)*



*2012

UK Share of Viewing (SOV)*



*2012

In 2012, ITV made a number of strategic acquisitions to strengthen our Studios business: So Television, Gurney Productions, Tarinatalo and Media Circus. In 2013, ITV has acquired The Garden in the UK and High Noon in the US

bigtalkproductions

HIGHNOON
ENTERTAINMENT

THE GARDEN
PRODUCTIONS LTD



12·yard
An ITV Studios company

SO
TELEVISION

Gurney
PRODUCTIONS



itv

itw 2



itv3



itv4

AN ITV4 PRODUCTION FOR ITV4 STARRING TWO BLOKES DOING WORD FIGHTING.

EXTRA WORDS IN A SENTENCE



Deliver against the Transformation Plan and continue to demonstrate real financial and creative progress.

1

Create a lean, creatively dynamic and fit for purpose organisation

2

Maximise audience and revenue share from existing free-to-air broadcast business

3

Drive new revenue streams by exploiting our content across multiple platforms, free and pay

4

Build a strong international content business



A lean ITV that can create world class content, executed across multiple platforms and sold around the world



ITV plc – My Background



Sharjeel Suleman

2005



2008



2010



2012




Financial Group Position, as Revealed by Accounting

Group Finance Overview





Group Finance

- 
- Board Reporting
 - Budgeting
 - Forecasting
 - Scenarios

Financial
Planning
&
Analytics


Finance
Business
Intelligence

- 
- SSC Analytics
 - Hyperion
 - Oracle BI
 - SQL Reporting

- 
- Annual Accounts
 - IFRS & Technical
 - Pensions / Treasury
 - Audit Management

Group
Accounting

Shared
Services

- 
- RTR
 - PTP
 - OTC
 - T&R
 - CFS

The Session Outline



Is Analytics the Holy Grail?

- What Do We Mean By 'Analytics'?
- ITV Journey – The Key Decisions
- ITV Journey – The Analytics Learning
- The Case for SSC Analytics
- What SSC Analytics Are We Building
- Project Set Up – The Key
- The Analytics - RTR / PTP / CFS
- Success So Far
- Future Plans
- Audience Questions and perspectives



Downton Abbey (September 2013)
First episode of Series 4 – 9.5m viewers

What Do We Mean By 'Analytics'?



What's your dream car?



What do we mean by 'Analytics'?

Financial Reporting and Planning

- Ability to cut and dice financial data in multi-dimensions
- Drill down in the the root variance of financials
- KPIs or dashboards which are based on one source of truth
- Budgeting and forecasting tools for workforce and key drivers of business
- Automated forecasting of balance sheets and cashflows
- Strategic forecasting tool to model M&A or financing scenarios
- Start moving from KPI and KRI reporting to KPP reporting (Key Performance Predictors)



Coronation Street
20/09/13 – 7.8m viewers

What do we mean by 'Analytics'?

Business Performance

- Understand customer habits and sales trends by analyzing large amounts of operational data in a single warehouse
- Gain competitive advantage and insight from big data
- Creative programmes or sales pipeline in one place, see the progress of ideas and understand revenue or high potential sales
- Number of rights available to sell in each territory, which area are selling what product and performance by sales group or team
- Tracking online player habits and spend analysis



Whitechapel
New series, first episode – 4.1m viewers

What do we mean by 'Analytics'?

Shared Services Centre (SSC)

- Manage based on exceptions, series of automated tests to help highlight variation from norm or policy violations
- Improve internal and external audit efficiency, allowing the team to benefit from more continuous risk monitoring and assurance
- Proactively monitor for fraud or policy abuse and to highlight actual segregation of duty and approval process issues
- More automated measurement of SSC KPIs, and development of KRI and KPP concepts
- Highlight process inefficiency or bottle necks in the service



The X Factor
21/09/2013 – 8.8m viewers

ITV Journey – The Key Decisions



ITV Journey – The Key Decisions

We wanted all of the above but decided to get the basics right in Finance first before moving out to SSC and the Business. We gave priority to those most important in order to achieve the transformation strategy of the company.

Create a lean, creatively dynamic and fit for purpose organisation

Clear and fast financial reporting to management and board

Create a lean, creatively dynamic and fit for purpose organisation

Better business performance insight by adding value to business in sales and cost

Create a lean, creatively dynamic and fit for purpose organisation

Better financial planning with budgeting and forecasting of our financial statements

Build a strong international content business

Ability to integrate acquisitions and report new consolidations

Create a lean, creatively dynamic and fit for purpose organisation

Take SSC to next stage in lifecycle, increase efficiency and better control



ITV Journey – The Key Decisions

We wanted to support of the above, decided to get the basics right first before moving out to more cutting edge or value add.

SSC Set Up

2008 – Oracle eBusiness / OBI and SSC set up

2009 to 2011 – eTC Financials / Trintech / Oracle Media

'Future' Analytics Journey

2010 to 2011 – Hyperion Reporting and Essbase

2011 to 2012 – Hyperion Planning

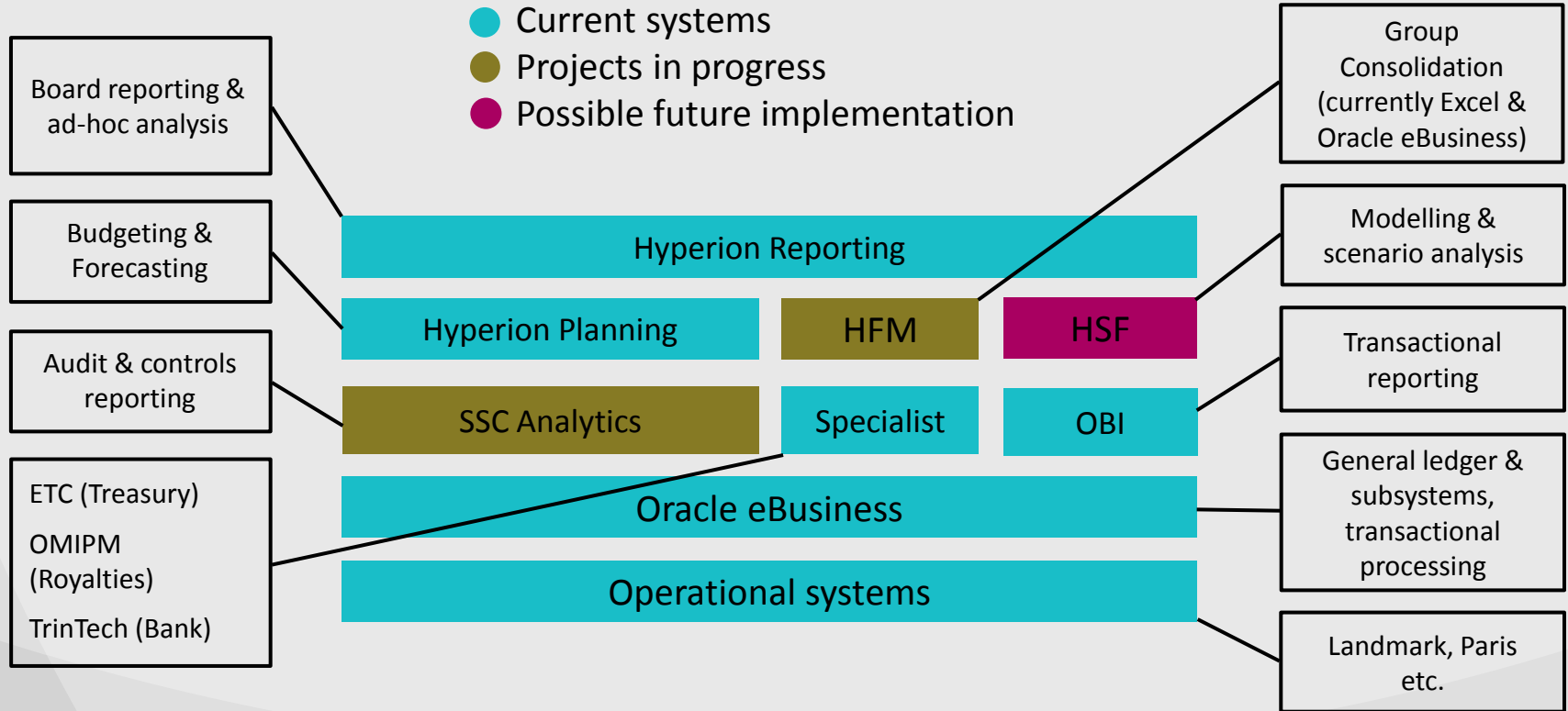
2013 – ACL Analytics

2013 to 2014 – Hyperion Financial Management



Emmerdale
20/09/13 – 6.6m viewers

ITV Journey – The Key Decisions



ITV Journey – The Analytics Learning



ITV Journey – The Analytics Learning

While our analytics journey has been successful there are important learnings, so what are the warts?

Financial Reporting and Planning

- Understanding what level of detail you really want to plan to, don't go micro unless you have to
- If you have diverse businesses think about how they are going to use the ONE company system
- Be clear on aim and expectations of deliverables with consultants, make sure stakeholder understand what you are building
- Be clear on what you don't get
- Avoid customization or bespoke, use software off shelf
- User adoption and take up needs time and repeated training

Business Performance

- Is it Finance job to manage business or operational reporting, or to provide the infrastructure / service of analytics?
- What data is going to reside in which data warehouse. Shut off old systems or ways of getting data
- Walk before you run, don't promise to solve Business problems when you can not solve Finance performance or planning

SSC

- Implement once you have a solid base and are more mature
- Analytics will NOT solve your underlying problems. Be they related to SSC system or upstream processes



Don't Forget Documentation – of simple user guides, detailed Hyperion scripts and ERP interfaces

The Case for SSC Analytics



The Case for SSC Data Analytics

What are the strategic SSC risks and opportunities that analytics can be used against / deployed for?

- A more proactive role can be delivered for SSC through the adoption of analytics
- SSC have masses of data, need an effective method of picking the transactions that matter
- SSC have huge volumes of transactions, thus small incremental gains add up to sizeable, permanent improvements
- Move the SSC on in its lifecycle, as more work comes in we have to get more efficient or work differently to keep up
- More efficient way to monitor extended enterprise risks and performance
- Show Audit Committees that we are improving compliance and controls, reducing risk e.g. Bribery Act or SAO sign off



Celebrity Juice (ITV2)
19/09/2013 – 1.1m viewers

The Business Case for SSC Data Analytics

What basis do you create the case on – the ITV business case on analytics was based on the following:

- 1) Being more effective and more timely with our controls
 - instead of waiting months to review data and then go back to business, we can now highlight exceptions from the norm far quicker
 - we can now do tests there were not possible to perform before analytics

Analytic focus has to encompass transactional activities as that is the core of an SSC



Broadchurch (April 2013)
Final Episode – 8.63m viewers

The Business Case for SSC Data Analytics

2) Improving audit focus and efficiency

Internal Audit

- Saving days in IA: instead of repeating the same testing each year with no significant findings we reduced the days IA will spend on our SSC. No point on doing walk through on the same topics and test same data
- They will instead focus on what we do with the exception reporting and analytics

External Audit

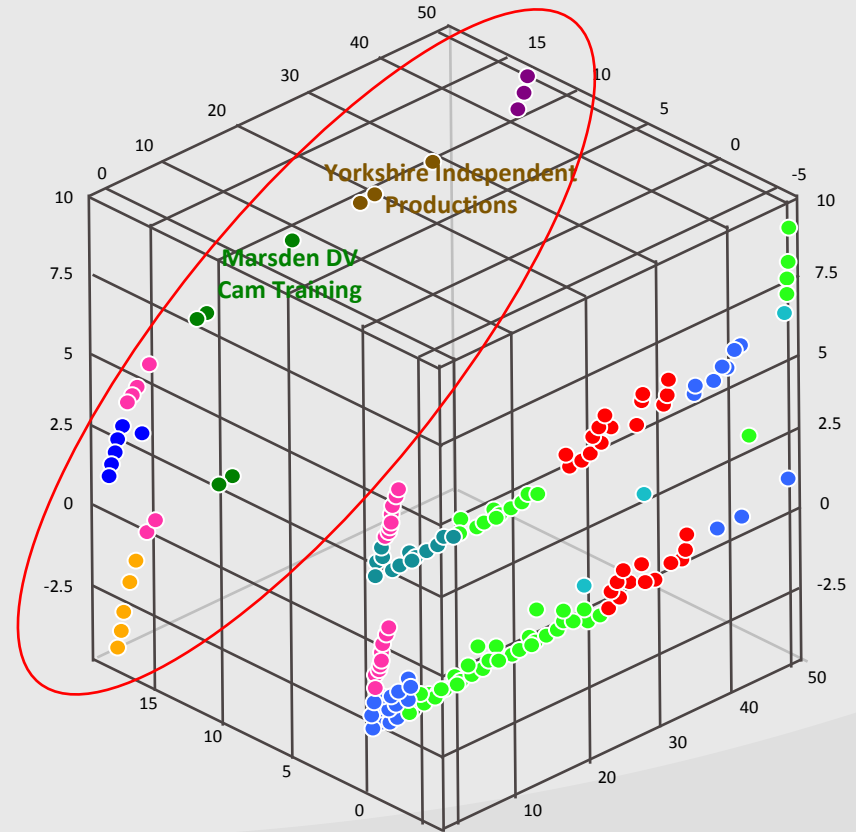
- Saving days in External Audit: similarly will review they way they work, place more reliance on IA and focus their efforts elsewhere in the SSC or use time saving to review other parts of the business



The Business Case for SSC Data Analytics

3) Ability to do complex proactive fraud monitoring analytics our self

- In 2010 and 2012 we worked with a Big Four firm to using analytics to highlight events in our data outside the norm and to 'cluster' them using consumer behaviour tools
- The SSC analytics we have will now highlight these events our self without the need to incur external costs



The Business Case for SSC Data Analytics

4) Tangible returns from improvement in KPIs

- While we can get SSC KPIs analysis from our Oracle Business Intelligence systems it needs support from the Finance BI staff
- Analytics enables the SSC team to get exception reports and KPIs for our main targets each morning. This enables a more proactive approach on each KPI



Dancing on Ice (March 2013)
Final Episode –7.36m viewers

The Business Case for SSC Data Analytics

5) Efficiencies as a result of change to SSC

- Traditional SSC competencies and ways of working need to be realigned with implementation of Analytics, to ensure that the output that analytics deliver can actually deliver change
- In our case this has meant we change the way of work and move toward exception management
- Each SSC transactional team has to think about how the way we work changes
- Same point with regards to IA and EA – changing the way they work
- This is also proving those areas of control that are too often ‘taken for granted’. For example, the analytics have found areas where inherent Oracle application embedded controls have either not operated or been overridden
- Using time saved to address to root issues

The Business Case for SSC Data Analytics

There are other items you could consider:

- 1) Revenue leakage
- 2) Cost reduction in business
- 3) Working Capital Management
- 4) SOX and other regulatory compliance
- 5) SSC and/or outsourcer resource releases / cost savings

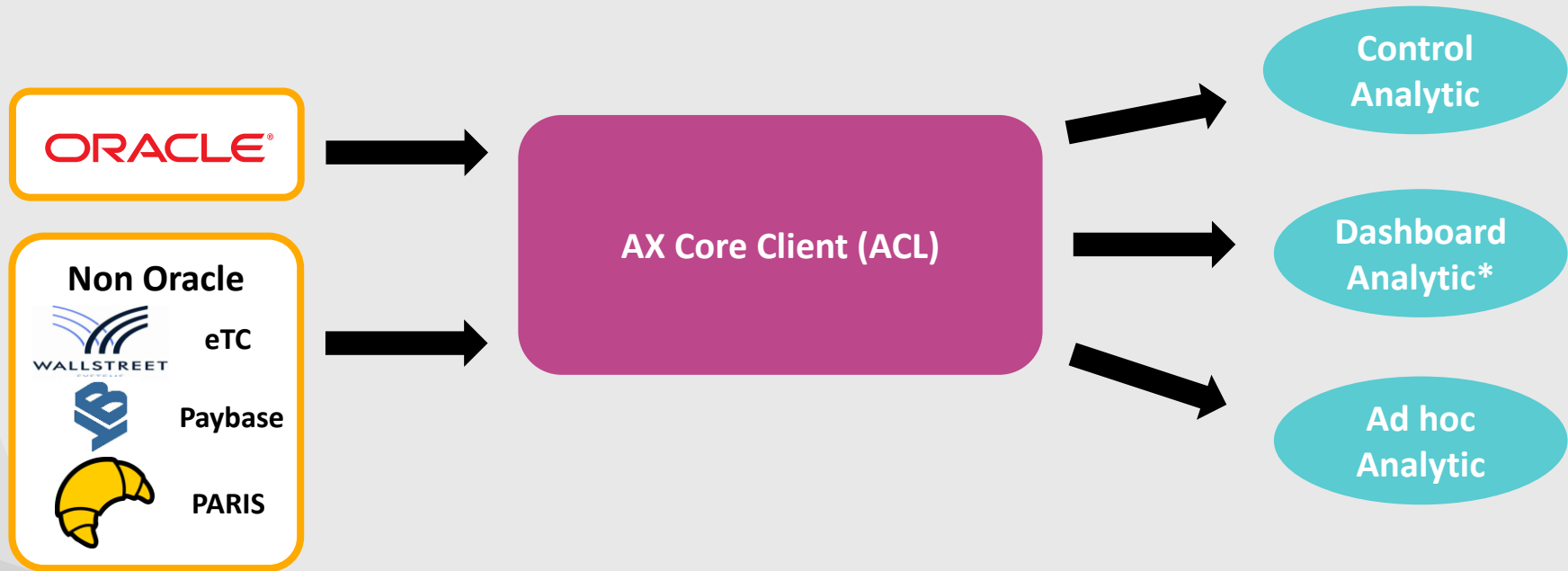
Review the ACL website for ideas, their case studies sections has examples for various industries



Mr Selfridge (March 2013)
Final Episode –7.73m viewers

What SSC Analytics Are We Building

What Are We Building



Project Set Up – The Key

Project Set Up – The Key

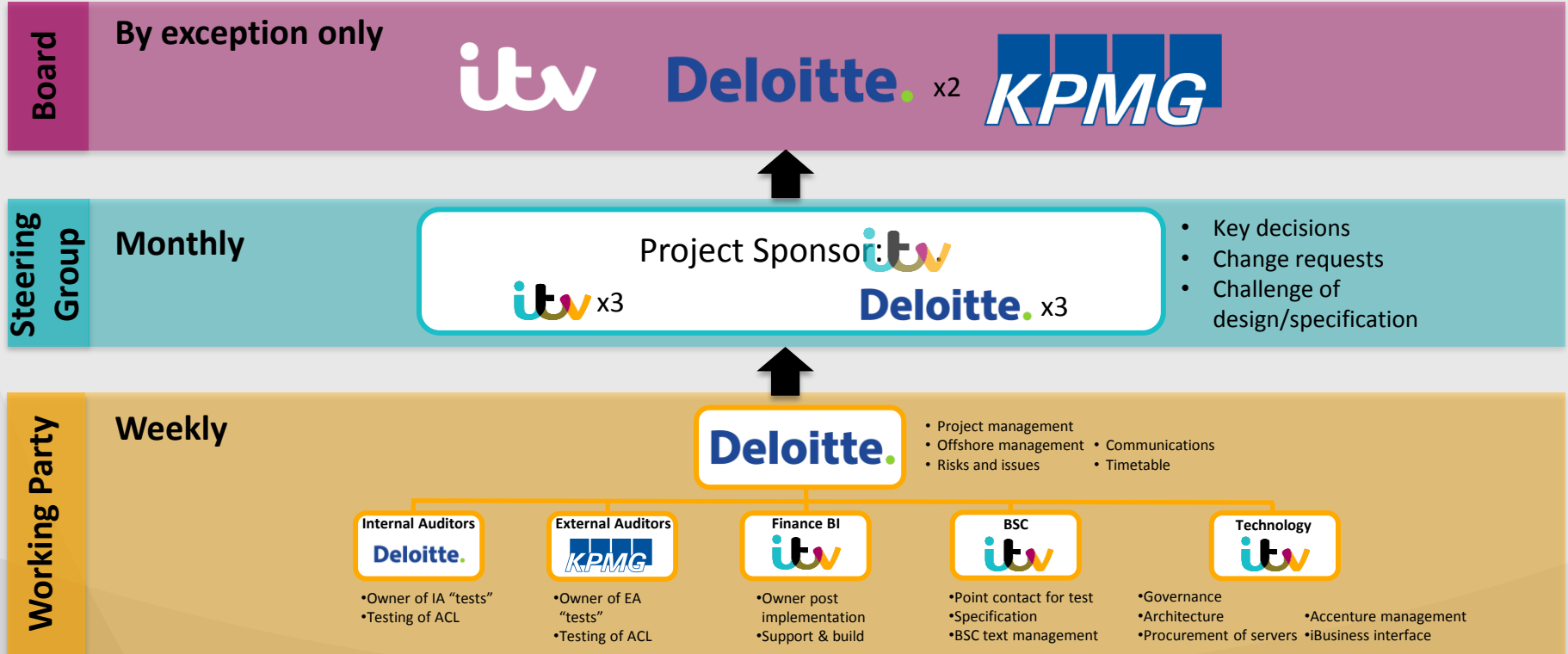
Organisation

- Project team formed around internal audit, external audit analytics business partner and ITV
- Each team had a stake in this being successful
- Each team clearly defined roles and a remit of what ‘change’ they had to enable
- Learning from other projects:
 - This was internally led by the ITV Sponsor (i.e. SSC) and not Technology
 - We had to have one team in charge, with experience in Deloitte on ACL and project management we made responsible for the project
 - Manage Deloitte closely as you would any company
 - Have full time internal staff who are SMEs



Project Set Up – The Key

Governance



Project Set Up – The Key

Project Planning

- New area for ITV so we really had to think about what we wanted from analytics before green light
- Large time spent upfront debating and agreeing the scope and purpose of each analytic
- Do we really need it, what is it going to add or what risk is it controlling
- Produced detailed list of analytics reduced any expectation gap – we knew what we were getting before we started design
- Strong focus on ‘so what’ actions during requirements capture – “how would this change my day job”?
- Had the list of circa 115 analytics once we started and had clear CR process



Project Set Up – The Key

Project Approach and Technical Matters

- Split project in to clusters to reduce risk and get proof of tech concept – best decision we made, bought forward all hardware, software, team responsibility and alignment points
- Right tool for the right analytic - greater business understanding of exception / monitoring / tactical analysis
- Made our Finance Business Intelligence team the owner of the solution longer term – not Tech and not SSC
- Listened to our partners on technical requirements



The Analytics - RTR / PTP / CFS

The Analytics - RTR

Here are some of the actual analytics are we building:

RTR

List of journals below £1,000 (compliance)

% of journals each day between WD1 to WD5 (process blocks)

% of journals by person (efficiency areas)

Number of journals from outside SSC

Project not capitalised with no invoice in 3 months

Depreciation logic check against fixed asset category

GRNI balances not moving in past 6 months

The Analytics - PTP

Here are some of the actual analytics are we building:

PTP

Suppliers with matching bank accounts in HR

Suppliers with duplicate or similar bank accounts

Self approved POs consistently with 1 supplier

Duplicate invoices based on data, ref, invoice number

Duplicate expense claim based on date, merchant, amount, text

Analysis of category spend on PO and credit card

Analysis of set and props which maybe personal spend

Automated Retro PO report by business department



The Analytics – Change and Financial Systems

Here are some of the actual analytics are we building:

CFS

Business Transactions made by SysAdmin

List of users with Seg of Duty conflicts

Items approved above user limit

Users splitting POs below limits

Users who submitted an invoice and initiated payments

Licence plate used on different fuel or engine size

Users who have processed transactions and changed FX rates

Users who have processed transactions and created accounts



Success So Far



Success So Far

- Finance Reporting and Planning
 - Finance use Hyperion for actuals reporting balance and analysis (not transactional data)
 - Finance team getting used to Hyperion as first port, move away from transaction reports
 - Detailed budgeting on Workforce, CAPEX, departments in Hyperion
 - Company budget by line item in Hyperion
 - Building a forecasted balance sheet and cashflow off back of P&L in Hyperion
 - HFM implementation kicked off
 - Finance Talent now starting to gain benefit of analysis
- Business Performance
 - Monthly board papers produced on agreed templates using Hyperion
 - Rights data all in SQL Reporting Services – allowing Global Entertainment to review sales
 - itv.com KPI dashboards maintained in SQL Reporting Services



Success So Far

SSC Analytics Project

- Effective business change – analytics delivered into the business are already having business change
 - Number of RTR journal under £1,000 each month
 - Duplicate expense claims are being questioned
 - Retro POs are highlighted daily and discussed
 - Review of GRNI
- Engaged shared services leadership team – proposing analytics, ways of thinking are changing to exception management and being more on the front foot
- Further impetus to a continuous improvement environment, this time driven through analytics
- Business proactively asking SSC for new analytics and assistance, improved business partnering



Future Plans



Future Plans

The success so far has got us all excited, so what next?



MONTH	DAY	YEAR	AM	HOUR	MIN
OCT	24	2015	PM	04	29
DESTINATION TIME					
MONTH	DAY	YEAR	AM	HOUR	MIN
SEP	25	2013	PM	11	04
PRESENT TIME					
MONTH	DAY	YEAR	AM	HOUR	MIN
OCT	26	1985	PM	01	20
LAST TIME DEPARTED					



Audience questions and perspectives





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