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There is a terrific article written by Adam Hartung in the December 15, 2013 issue of CIO magazine titled "Two Metrics That Matter". The article describes how CIOs need to be prepared to justify expensive information technology projects to CEOs. The article cites a book titled *Business Cases that Mean Business* by Jim Maholic.

While information technology projects often tout benefits such as greater efficiencies and better analytical reporting, CEOs are more focused on two key executive-level metrics: will the project help sell more stuff ~or~ will the project help cut costs. CEOs want targeted financial benefits of projects. As Maholic states: "Too often business case developers overlook the single biggest competitor of every project – do nothing!"

In the same issue on page 12, it was noted according to Kroll that in 2013 72% of global companies suffered from insider fraud, up from 67% in 2012.

(The Association of Certified Fraud Examiners states that organizations lose 5% to fraud on an annual basis.)

Anti-fraud solutions are often a difficult sell to executives because they don't sell more stuff or – at least at the obvious – cut costs; rather if the enterprise has not encountered fraud executives seem reluctant to invest in preventing it from occurring. Partnering or bundling anti-fraud solutions with information technology and operations improvement projects enable enterprises to better identify the return on investment, share scare financial resources, forge collaborative business units, propagate operational and anti-fraud messages throughout the enterprise, and drive into a longer list of benefits for all stakeholders (e.g. the enterprise, vendor, or customer).

External entities like vendors and customers should be made aware of at least some of the anti-fraud measures being put into place, because highlighting these efforts tends to bring confidence and credibility to existing and prospective supply chain partners. Permeating the anti-fraud message should put potential fraudsters on notice (regardless of whether they are internal or external to the enterprise) therefore cutting costs due to fraud. The Association of Certified Fraud Examiners cites that the perception of detection is a great deterrence to fraud; of course the perception must be factual and not fictional.

In partnership these initiatives can help sell more stuff and reduce costs by improving quality, enhancing customer service, improving accuracy, enhancing checks-and-balances, and replacing manual oversight with automation. Hartung states that "more, better, faster" are not persuasive arguments for progressing with expensive projects, but I think that combined with real numbers (sales or savings) those points certainly can enhance the discussion as long as the discussion does not rely on those points. Hartung may be correct objectively for most information technology projects but I would challenge that – in the case of fraud detection – objectively, "more, better, faster" is a very persuasive argument!

Driving into hard numbers can be difficult with regards to the current cost of a problem, the continual cost of doing nothing, and the cost of the correction active, but it is a necessary exercise worth the pain of going through.

Absolute numbers might not reveal themselves easily: perhaps the cost of the analysis itself is too expensive to justify the results. But you cannot walk into a meeting with your CEO without some basis for the conversation: some numbers will have to be presented and there is typically always a way to ascertain – with veracity – baseline data.

The financial revelation may alter the proposed solution and might even stop you from making a fool of yourself in front of your CEO. You might also find you're better off walking a winning path with a collaborative business unit partner than walking the path in disgrace alone.

Thanks.

Norman Katz, CFE, CFS, CCS, MOS
Katzscan Inc.

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