

Data analytics contract will see Armscor “powering up” financial data



The glass-fronted Armscor head office building in Pretoria East.

Armscor, the South African defence acquisition and project management agency residing in Defence and Military Veterans Minister Thandi Modise’s portfolio, is reportedly now able to significantly improve the “consistency” of its financial data as well as the quality and accuracy of its reporting.

This is according to United States (US) headquartered data and integration management company Qlik, awarded a data analytics solution contract in the wake of a tender. The tender, a Qlik statement said, was for “greater power over its data and the corresponding insights derived”.

It quotes Zimasa Fayo, Armscor Business Intelligence Manager, as saying: “Our decision to adopt Qlik was made based on the self-service and visualisation functionalities, data integration abilities, user friendliness and scalability. Another critical consideration was the fact that their implementation partner, Direct Insight Consulting, was well established locally and could provide the right level of support”.

“As a State-owned company,” she is further quoted in the statement, “visibility on finances is essential for Armscor’s stakeholder reporting. Prior to our Qlik rollout Armscor had disparate, legacy systems in place, with no central view of our financial data, and no documented business rules available.

“We had a pressing requirement for clean, accurate data that could be trusted and would allow for timely insights as, at that point, it would take easily two weeks to share month-end numbers with our executives. Even then, the source of the data was often unclear, as many people are involved in this time-consuming process and accordingly there was little trust in the numbers provided.”

“Our objective was to empower users, so the self-service feature offered by Qlik was important, as was the ability to derive insights from data. Moving from a very much legacy-driven reporting environment to an analytics-driven platform was a big jump for both IT and business users alike. Thus, a large amount of time was spent on extrapolating and testing the business rules, getting them into a process and then documenting this, which meant that serious change management was required. This was driven from the top by Armscor’s executive team.”

Currently Qlik Sense and Qlik NPrinting are being used in the Armscor finance department. “Now, we have one version of the truth available, with well-documented and tested business rules in place, and users who are able to deliver insights on the data with which they’re working,” Fayo is reported as saying in the statement.

“A key point to make is that these users are able to confidently use data for insights without having to question its quality or accuracy, and our turnaround time on management reporting has been decreased from weeks to just one day.”

Armscor has seen benefits on its settlements – or accounts payable – side. “Previously, it was difficult to draw a consolidated report on how the business was performing, what was still owing or which accounts were behind; something that is not only vital for Armscor’s business operations, but can also affect the broader sector.”

“Today, we have one view through Qlik, from which we derive weekly insights and also share these with our executives – a crucial exercise for Armscor, as reporting on funds spend to stakeholders is one of our key performance indicators.”

The improvement of data literacy at Armscor has been beneficial, Fayo added. “As an organisation that has been around for decades, Armscor has taken a huge leap forward from an ICT perspective in more recent years. Part of this momentum has been convincing users not to be afraid of automation and this has required serious change management. Now, with a better understanding of what data is, how to action it, and also how to interpret results, users are more comfortable with analytics and the quality of our data has greatly improved.”

Armscor is currently finalising the use of Qlik for accounts receivable and management accounting. “We’d found many data discrepancies in our accounts receivable data, with the requirement for manual intervention, and are in the process of automating the reporting procedure as well as creating data processes.”

Looking further ahead, Armscor plans to use Qlik to improve acquisition and project management processes, as well as its human resource (HR) practices. A good example of where data analytics could ease this, says Fayo, would include tracking the effect of voluntary severance packages on employment equity targets.

“By its nature, HR requires collation and analysis of a large volume of data on industry-related salary and package comparisons. We’d like to unravel this process and allow these insights to be available at the click of a button, so it’s a natural next step for us.”

The organisation is also exploring building a data warehouse to leverage data from all Armscor departments and entities for real-time analytics and improved decision making, potentially using Qlik Talend Data Integration to alleviate the high costs and need for resources associated with traditional data warehousing.

Additionally, Armscor is planning for broader use of Qlik for budgeting and planning as well as the rollout of targeted data literacy initiatives beyond the financial side.

Source: <https://www.defencweb.co.za/industry/industry-industry/data-analytics-contract-will-see-armscor-powering-up-financial-data/>