



Sprinting past spreadsheets— financial planning with AI

Developing financial plans, budgets and forecasts
faster in a complex banking environment

by Mike Tucker
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Argentina is no country for fainthearted bankers. Since 2020, the rate of inflation has exceeded 30%. Currency exchange rates experience enormous fluctuations and government regulations, such as bank stress tests, currency controls and dividend restrictions, place additional burdens on bank managers.

Nevertheless, the size and growth potential of the Argentine economy makes it an attractive market for long-term bank investors, including the Industrial and Commercial Bank of China (ICBC), the world's



largest bank in terms of assets and market capitalization.

In 2019, ICBC acquired 100% of the Argentinian assets of the former Standard Bank Group, and ICBC Argentina has become one of the largest banks in the country. The new bank has the resources to help finance huge

projects, such as Argentina's planned fourth nuclear power plant.

Given the size of the bank and the complexity of Argentina's banking environment, developing financial plans, budgets and forecasts is a major undertaking that requires significant staff resources. "Our team processes

annual budgets for the bank as well as each line of business, plus quarterly forecasts,” says Mariano Carranza, Head of Planning, Budgeting and Reporting at ICBC Argentina. “In addition, we report to our bank management, the head office in China and the Central Bank of Argentina. For years, we processed our work manually on over 100 spreadsheets.”

“It’s difficult for people who live abroad to understand the complexity of banking in this country, with so many scenarios for exchange rates, inflation rates and macroeconomic assumptions,” says Guillermo Palombella, Consulting Director for IBM Business Partner KMG Analytics. “The planning team would often stay in the office until 2:00 AM and work on weekends with all the spreadsheets, opened and linked to each other. They also spent a lot of time doing Excel calculations to review the consistency of the data.”

Reduced time to produce bank stress test reports by

50%

cutting processing periods from 4 weeks to 2 weeks

Reduced time to produce spreadsheet-based “what if” financial scenarios from 2 days to

seconds

through automated and AI-infused planning analytics

Working with so many spreadsheets raised the potential for errors and delays. “A lot of the errors were mistakes made when the spreadsheets were populated,” says Carranza. “Because of all these spreadsheet links, we didn’t always

have the results we were expecting, so we’d have to check it again. That’s when we started to look at planning software, and KMG Analytics presented IBM Planning Analytics with Watson, which was then known as TM1.”

Agile deployment and a close partnership

In consultation with KMG Analytics, ICBC Argentina deployed the [IBM® Planning Analytics with Watson](#) platform to work with its familiar Excel interface, unify and streamline planning, and help ensure that all users could see and work with the same data. “With the integration, all the areas are on the same platform and connected,” says Palombella. “Everything can be consolidated very quickly.”

Initially, the IBM Planning Analytics with Watson solution was used to overhaul financial planning and analysis, but functionality was later extended to other applications. The



bank used agile deployment methods to add tools for managing operating expenses and human resources. Building on the modular and scalable architecture of the software, the bank also implemented a much-needed solution for conducting the complicated bank stress tests required by the government.

Working in close partnership with the bank's planning, budgeting and reporting team, KMG Analytics set up the IBM Planning Analytics with Watson solution for maximum flexibility. This enabled the team to tailor income statements and

balance sheets for ICBC Argentina, ICBC executives in China, government regulators and the Central Bank of Argentina.

"The bank appreciates the IBM Planning Analytics platform and the ability to work more confidently and more quickly with their data," says Palombella. "They're no longer responsible for errors and inconsistencies related to typing in or linking data to spreadsheets."

Carranza's team also used agile methods to develop planning analytics processes. "We are currently adding more functionality to the tool and all

the people that enter data participate," says Carranza. "For example, we are incorporating automatic inflation adjustment to the figures, which is something we could not do with spreadsheets."

One of the key lessons learned during deployment was that a close partnership with planning analytics experts was essential for success. "We needed to develop a long-term relationship with our KMG Analytics provider and have an ongoing maintenance contract," says Carranza. "You need a partner on something as big as this."

"We are very happy with this IBM planning tool because we can now dedicate more time to analysis instead of simply processing information. We need to be more efficient as a company, and this is going to help us save time and resources."

Mariano Carranza, Head of Planning, Budgeting and Reporting, ICBC Argentina

More time for higher-level analysis

As an AI-infused planning solution, IBM Planning Analytics with Watson automates workflows to make processes visible and provides all users with customizable analytics workspaces. AI tools support natural language searching and multi-dimensional expressions based (MDX) queries for fast and powerful analysis, and embedded predictive forecasting capabilities enable more accurate forecasts.

After working with IBM Planning Analytics with Watson for over two years, ICBC Argentina has seen significant time savings related to



some of its most complicated financial reporting tasks. For example, when it came to developing “what if” planning scenarios, the tool was able to reduce a two-day process into a matter of seconds. “With the model that we developed, it only takes a couple of clicks,” says Carranza. “We are very happy with the solution.”

Generating reports to comply with government-mandated bank stress tests used to require four weeks of staff time, but now the stress tests can

be performed in two weeks, representing a time savings of 50%.

From a more strategic perspective, using the Planning Analytics with Watson solution has helped transform Carranza’s department. “Because we are a cost center, we don’t produce revenues. We only produce expenses. Our main objective is to be more efficient and we have to change our internal processes to provide better services,” says Carranza. “Now, we can also dedicate more time to the analysis of information instead of simply processing the information.”

Because of dynamic banking conditions in Argentina, ICBC Argentina needs to react quickly to future regulations and evolving economic circumstances. The IBM Planning Analytics with Watson solution provides the ability to streamline business processes and scale to meet workloads. “Every year we have changes, so we’re going to continue using the tools and incorporate more functionality, save time and save resources,” says Carranza. “With Planning Analytics, we think we are going in the right direction.”

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Guillermo Palombella, Consulting Director, KMG Analytics



About Industrial and Commercial Bank of China Argentina

Founded in 1998 as Standard Bank and acquired by ICBC in 2011, [ICBC Argentina](#) (external link) is based in Buenos Aires and has over 100 branches in 17 provinces. With more than 3,500 employees, the bank serves one million customers and 40,000 institutional clients. It is part of ICBC, the world's largest bank with over 4.9 trillion USD in assets. Founded in 1984, ICBC is headquartered in Beijing.

Solution component

- IBM® Planning Analytics with Watson

About KMG Analytics

With offices in Buenos Aires and Santiago, Chile, [KMG Analytics](#) (external link) has over 20 years of experience in helping businesses maximize the use of data, access self-manageable reports to make better decisions and improve projections with AI and machine learning. Other services include software licensing, workforce planning, sales and operations and rolling forecasts.