**Fact Gathering Techniques**

**Finance Department**

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It is necessary to gather the requirements that your system will need to meet to ensure that it performs correctly and can handle the tasks that it is assigned to do. If the system does not meet all the requirements, it will not perform as needed and may cause data errors or data loss. There are several different approaches that one can use to gather facts and information about the needs of the system.

The first technique is prototyping. This type of technique collects facts from the financial system by creating small models and diagrams that allow users to see the first prototypes of the information system. Prototyping is one of the first phases of system development. For the Finance system, the system analyst can create prototypes for users within the department. The users can then see if these prototypes meet the requirements to use the system for daily use and to see if it is user friendly.

The second technique is interviewing. This is one of the most popular techniques to identify the requirements of the system. This technique allows the system analyst to hear directly from the user about what kind of needs they have for the system, therefore the analyst can develop requirements that will narrow the scope of the project and make it easily attainable. For the Finance system, the analyst will need to get the opinions of management with the system they would like, and what type of improvements they would like to see to operate more efficiently.

The last technique is observation. An analyst goes into a company and observes the daily operations of the organization. The analyst can speak to employees and management about their system and allows the analyst to see the system from the user’s point of view.  For the finance department, the analyst can understand the flow of documents, such as how stocks and dividends are issued and what type of information you need to gather to record these transactions. An analyst can see the length of time it takes to input these transactions and can think of better ways to accommodate the needs of the users with the outcome of observation.

External information can also be used to make useful decisions within the company regarding system planning. Using other organizations, such as competition or other companies that have similar products or missions, can allow for valuable information that helps the organization grow as a company. This can help an organization learn from other business’s mistakes and gain a competitive advantage. For the finance system, an analyst should determine how other similar organizations are staying in business and how to earn money.

Another example is gathering information from other businesses, however these companies may not be like the business under review. An organization can see how a very well-off organization is staying ahead of competition and can use this information to make decisions. For the finance department of our paper clip making company, we may look at a company such as Amazon to see how they ship efficiently and cost effectively.

The government can also be used as a source of external information. This information is extremely accurate and valuable since the government is the one who creates rules and regulations regarding our industry or way of financing things for our organization. The finance department of our company should ensure that they are following all labor laws regarding calculating payroll and other financial data. It is also crucial for the finance department to stay up to date on GAAP requirements and other accounting bodies that may create new regulations that would affect how our company is recording and creating financial statements.