

De CFO als business partner: droom of noodzaak?

Masterclass
Finance Transformation
Day 2015





Welkom!

Introductie Frank Geelen



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Poll Question

Is your finance organization 1) seen as a critical stakeholder for the identification and execution of strategic initiatives and/or 2) does it share accountability in the achievement of organizational goals?

- Only a critical stakeholder
- Only shares accountability
- Both a critical stakeholder and shares accountability
- Neither
- Unsure / not applicable

Poll Question

What is your Finance organization's biggest impediment to effective Business Partnering?

- Misaligned objectives between Finance and the Business
- Lack of specific capability within Finance
- Limited resources availability within Finance
- Lack of information to support Finance insight
- Ineffective relationships between Finance and the Business
- Unsure/ not applicable

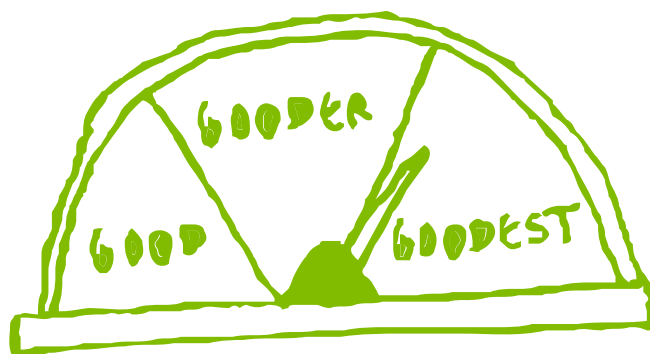
We nowadays see three areas of expertise within Finance

Finance	FP & A	Business Partnering
Close, Consolidate, Report (Backward looking)	Budgeting, Forecasting (Foreward looking)	Owned by finance...?
Standardized Processes – Real time, anywhere, anytime, anyhow ('IT Heavy')	Central / Decentral (Not 'IT Heavy')	New themes (pricing, complexity reduction, etc...)
Centralized (SSC) Outsourced?	Organization specific	Decentral, close to business
Managed on cost & quality	On-demand (not once a year...)	Specific knowledge necessary (business, regional, functional)
Will include non-financial data	Increasingly non-financial, external information	Pro-active

Finance Business Partnering defined

Finance Business Partnering (FBP) is the role that Finance undertakes to:

- ✓ Support and challenge the business,
- ✓ Create value by improving the quality of decisions (i.e. pricing strategy, investment appraisal), and
- ✓ Ensure that a chosen business strategy delivers the highest financial value at an acceptable level of risk



Finance Business Partnering delivers enhanced business strategy formulation and execution, while maintaining Finance's stewardship and control capabilities



Investing in Finance Business Partnering capabilities has already started...

...Business partnering is high on the CFO agenda, to support strategic execution and improve business performance

83% of surveyed finance leaders look to increase Finance Business Partnering activity over the next 3 years

35% of organizations surveyed are identifying skills gaps and conducting training to up-skill existing resources

Half of the finance leaders surveyed have begun to identify value drivers and KPIs to better focus on Finance Business Partners

40% have started to better define Finance Business Partnering roles, in line with the organizational structure

40% of surveyed organizations are improving the efficiency and functionality of performance management systems

Over 50% have begun to improve the quality and availability of data and business information

Source: Deloitte UK Business Partnering Survey 2014



Why is Business Partnering Hard?

Effective Business Partnering remains elusive to many finance organizations, even those considered sophisticated

Misaligned objectives

Finance capability & talent identification

Resource availability & bandwidth

Business knowledge

Communications & relationships

Business Partnering Survey Results

Many companies lack the approach, resources, data and time available to effectively improve their Business Partnering capabilities

1 in 3 surveyed organizations have no co-ordinated approach to partner with the Business

57% of surveyed leaders ranked finance systems inhibiting access to data as a top 3 barrier

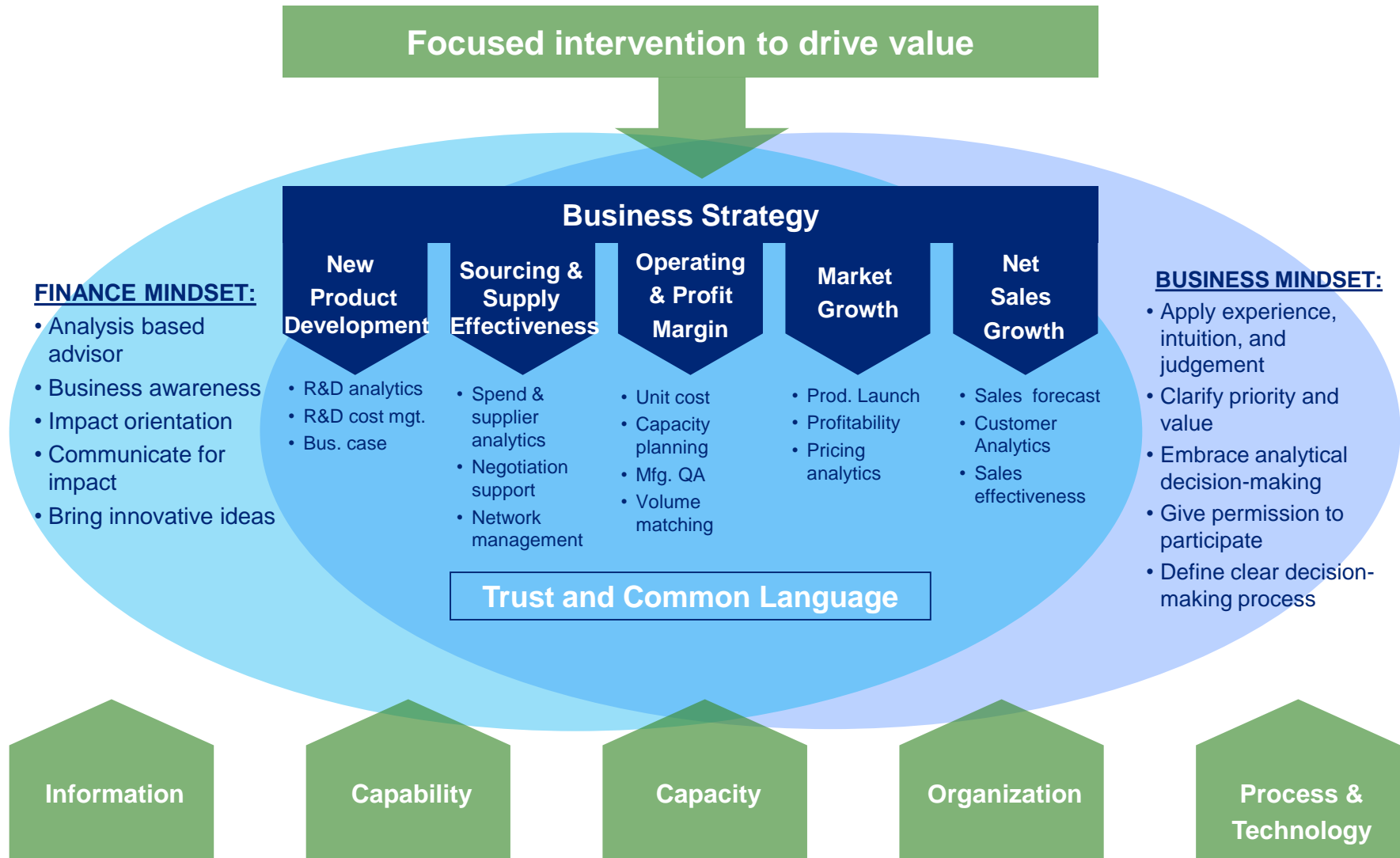
43% have failed to achieve even a good level of business support for Finance Business Partnering

45% of surveyed organizations still lack the control and efficiency of traditional accounting, reducing capacity to focus on Business Partnering

2 in 3 surveyed finance organizations spend less than 30% of their time partnering with the Business

1 in 3 surveyed organizations state a lack of capability, combined with a lack of resource capacity as being the greatest barrier to effective Business Partnering

Deloitte Business Partnering Framework



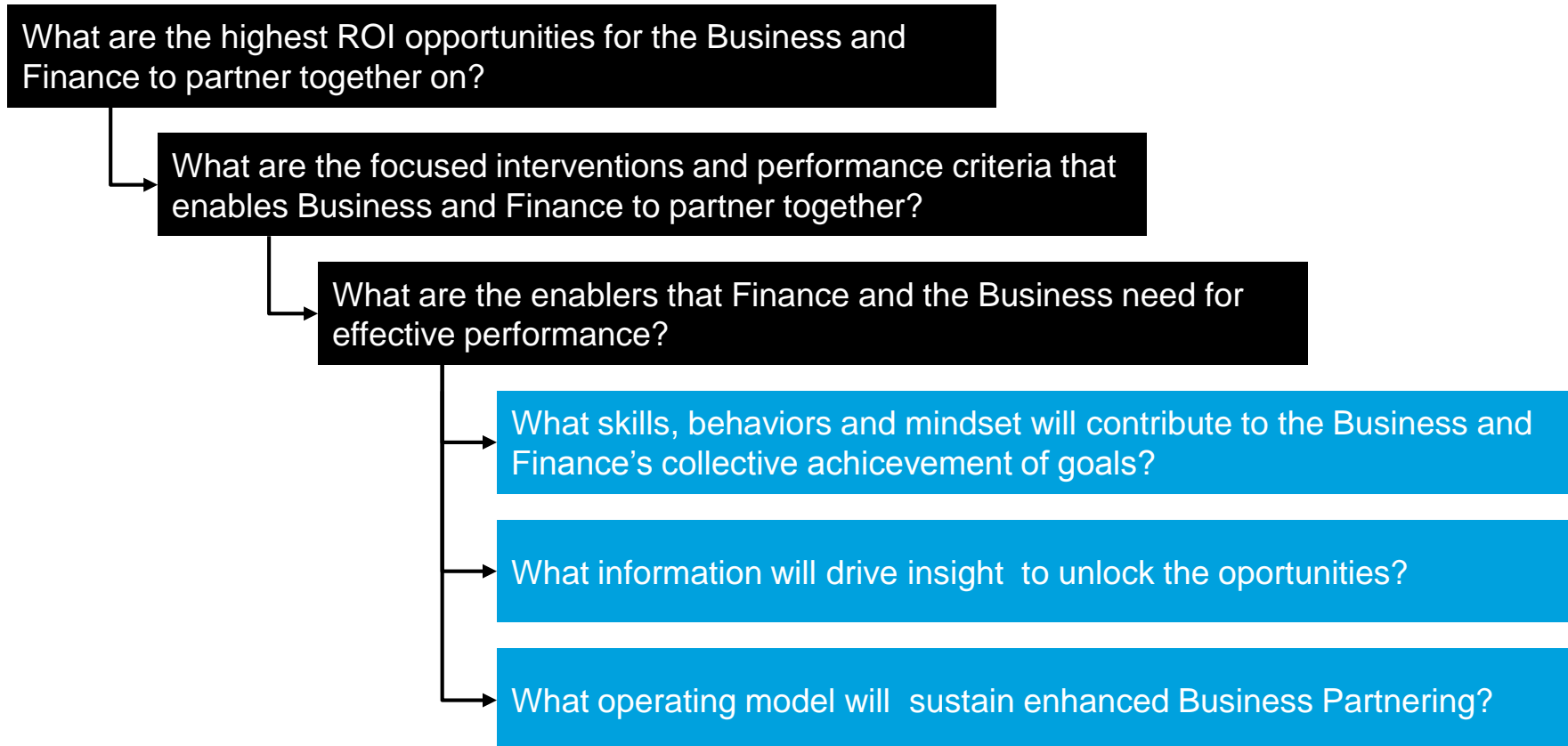
Poll Question

In what area of your organization do you think you can make the biggest Business Partnering impact?

- Sales
- Marketing
- Research & Development
- Manufacturing
- Back-office
- Other

Business Partnering Approach

Focused intervention often requires a strong emphasis on change management in order to realize the benefits of an integrated partnership between the Business and Finance



Measuring the Effectiveness of Business Partnering

Both qualitative and quantitative measures can demonstrate the success of Business Partnering

Quality of analysis for decision support

Efficiency of planning, budgeting and forecast cycles

Finance customer satisfaction

Finance talent migration (net exporter of talent)

Case Study: Becoming an Effective Business Partner

The Finance organization of a Fortune 200 Consumer Products company transformed itself to embrace Business Partnering by adopting a new behavior set across all of Finance

Traditional Finance

Get involved when asked

Plan-plan-plan-do

Success defined by function

Decisions by consensus

Manage risks with procedures

Avoid conflict

Customize reports to please

Emerging Finance

Get involved when Finance can make impact

Plan-do-check-adjust

Success defined by enterprise

“Call to vote” early and clear decisions made

Embrace smart risk

Don't let perfect get in the way of progress

Leverage standardized practices and reports

Poll Question

How effective do you believe your Finance organization is at Business Partnering?

- Highly effective
- Somewhat effective
- Rarely effective
- Not effective
- Unsure/Other

The Evolution of Business Partnering

Delivering value through Business Partnering can help Finance establish a more collaborative relationship with the Business and position itself as a strategic partner, beyond the numbers

