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Transforming the office of the CFO

Maximising Finance
Effectiveness

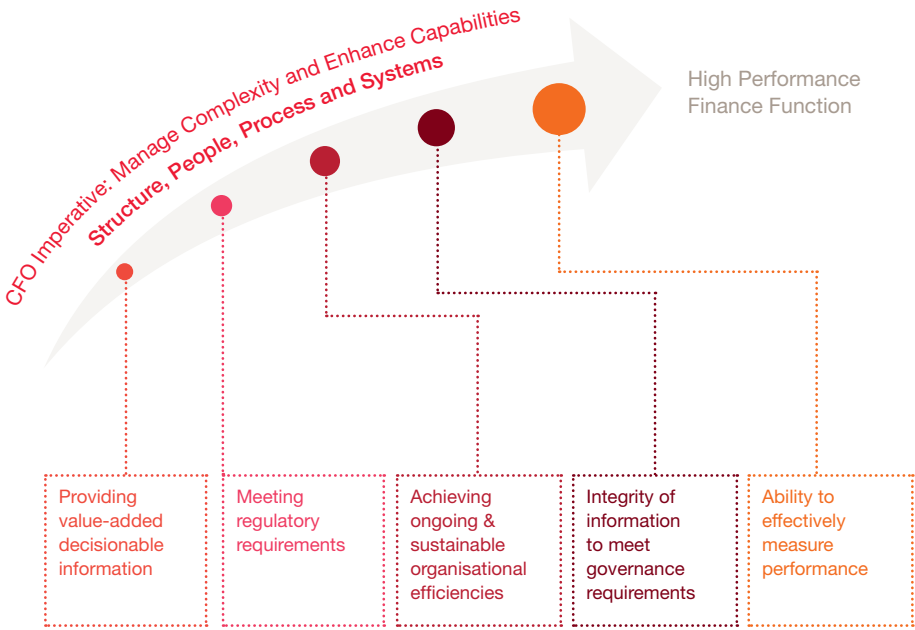
*We help the office of
the CFO to optimise
and excel in business
insights, efficiency and
control*

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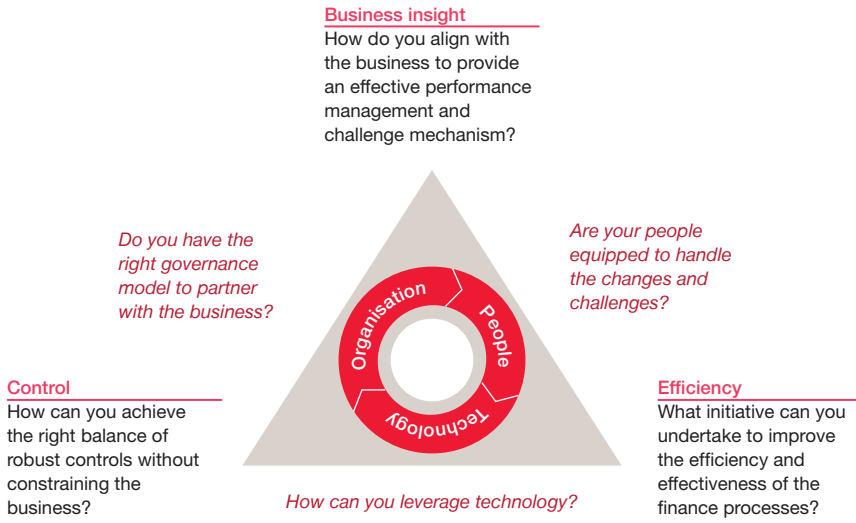
We address the fundamental questions on a CFO's mind

Key CFO responsibilities	Top of the mind issues
Business partnership	<ul style="list-style-type: none">• Do I know and have control over the volatility risks that impact my business? How should I make the most of the unexpected opportunities?
Controllershship and compliance	<ul style="list-style-type: none">• How will the changing regulatory regime affect governance and compliance? How is it going to affect my suppliers?• Do I have the right systems and processes to give me an early warning?• Is my learning & development program equipping my people to manage the changes in accounting, tax and corporate laws?
Investment decisions	<ul style="list-style-type: none">• How can I make my past investment decisions viable now, especially when the original assumptions become irrelevant?• Should cost control be at the cost of expansion or should we look at hidden costs which are an undue burden for our organisation?• How can I maintain the right balance between short term measures and a long term view? What kind of balance should I maintain between own and borrowed funds, when we are de-leveraging?• What is the real value proposition for a Shared Service Centre (SSC) and outsourcing? How can I enhance the benefits of or monetise my existing SSC set up?
Enterprise performance management	<ul style="list-style-type: none">• How can I help the business by improving my predictive and prescriptive capabilities around cost, capital and risks?• Do I have a robust performance measurement framework to translate my business strategies to measurable KPIs at operational levels? Am I measuring the right metrics today?• Is my planning process flexible enough to react to various scenarios and changing variables (demand, cost, capital, overall regulatory policies and political environment)?• How do I put in place a “balanced score card” for the enterprise?• Do I have a robust business intelligence ecosystem to generate insights and actionable analytics?
Costing and commercials	<ul style="list-style-type: none">• How can I provide a competitive advantage to the business in terms of pricing for our product or services?• Is my department capable enough to innovate and continuously improve so as to manage the pressure on cost?• Is my costing model relevant in the current business context and does it provide a reliable cost estimate?• How can the non-finance teams improve their commercial acumen?
Finance processes transformation	<ul style="list-style-type: none">• How can I transform my finance processes so that my people spend more time on decision support and value added work?• Do my processes and IT systems run the risk of being outdated as my business has grown manifold in scale and complexity?• How can I bring about consistency of processes and policies, especially for newly acquired facilities and entities?• How do I achieve world class standards on my processes and eliminate duplication and inefficiencies (e.g. Management Vs Statutory reporting)?• Can I optimise the cost of finance as a % to revenue to global norms?• How do I select the best location for setting up a captive shared service centre? Should I outsource my processes – how do I select the best provider?

Characteristics of a high performance finance function



We help build a high performance finance function



PwC’s standard finance model provides a consistent basis for comparison

Business insight processes	Transactional efficiency processes	Compliance and control processes
<ul style="list-style-type: none"> • Strategy and planning • Budgeting and forecasting • Business analysis • Tax planning • Performance improvement projects 	<ul style="list-style-type: none"> • Accounts payable • Travel and expenses • Customer billing / credit management • Accounts receivable / debt collection • General accounting • Reporting – Financial / external • Reporting – Management 	<ul style="list-style-type: none"> • Treasury • Internal audit • Process controls and compliance • Tax accounting and compliance

Case study 1

Leading automotive manufacturer

CFO problem statement

- Is my Annual Planning and Budgeting process tightly integrated across all functions?
- Are functional variances tracked at regular intervals and are decisions driven by these variances?
- How is the KPI framework linked with strategic objectives and organisation goals?

Our distinctive solution

- Designed the Integrated Planning framework.
- Overhauled the KPI framework to integrate it with the enterprise objectives and strategic goals.
- Remodelled the costing methodology to ensure cost absorption across all dimensions of business.
- Developed a financial operating framework to ensure alignment between organisational goals, functional capabilities and improvement areas – to drive rational target setting and cohesive actuals measurement.

Impact

- Integrated planning and budgeting, improved accountability by deploying an integrated KPI framework and improved decision making, enabled by accurate costs and performance reports.
- Identified potential for improvements of 11% in EBITDA.

Case study 2

Leading renewable energy solution provider

CFO problem statement

- How can I have a nimble finance function to navigate business cycles? How can I achieve consistency and efficiency while managing risks and cost of finance function for multiple entities?

Our distinctive solution

- Designed a finance operating model consisting of Shared Service Centre (SSC) and Business Finance. Helped the client through the entire cycle of SSC implementation and change management.

Impact

- The new operating structure could absorb the high growth and subsequent down cycle of the business effectively. Achieved cost savings in operations due to low cost resource requirement, improved span of control, and rationalisation of the skill base.
- Improved efficiency and management oversight through centralised, standardised and best-in-class operating processes run from a captive shared service centre – with direct P&L impact.

Case study 3

Leading Indian conglomerate

CFO problem statement

- How do I build a scalable and best-in-class finance function that can support new business objectives and operational complexity?
- How do I build a leadership pipeline with right functional skills?

Our distinctive solution

- Conducted maturity assessment of the finance processes, identify improvement opportunities along three dimensions - test of design, performance monitoring and test of control.
- Conducted in-depth analysis of envisioned business processes and created improvements roadmap.
- Helped create the 'Finance Academy' and its course content to build the functional and business acumen of finance staff.

Impact

- Identified improvement opportunities and roadmap for finance function transformation for the organisation on the skill components across a complete spectrum of F&A and business skills and knowledge
- Creation of robust talent learning and development program - delivery of more than 200 e-learning content, mapped more than 2000 people in the finance landscape across businesses.

Case study 4

Global pharmaceutical manufacturer

CFO problem statement

- Can the current costing framework be improved to enable business to make informed decisions?
- Is there a common understanding of capacity and utilisation, so that overhead costs can be further analysed for decision making?
- Is the Budgeting framework aligned with the Costing framework? How can I improve my budget accuracy?

Our distinctive solution

- Analysed the overheads of production and support departments to identify major expense heads related to material, labour and overheads.
- Created a robust costing standards baseline by aligning the views of business and finance on capacity and expansion plans.
- Created standard costs for all materials, overheads and products. Used capacity costing output and principles to create, analyse and consolidate budgets. Executed the annual budgeting process as part of budgeting team.
- Created month-end close processes to support the newly designed and implemented costing and budgeting frameworks.

Impact

- Clear view into utilisation on a monthly basis with enough granularity to drive focused decision making
- Recreated standard costs that enabled the business to understand pricing and volume constraints.
- Created accurate costing budgets that drove better target setting and financial discipline.

PwC Finance Effectiveness practice offers five high priority solutions for the CFO's office

1 Partnering with business for growth

Assisting the CFO's office to partner with business in M&A deals, post merger financial integration (including interim accounting services) and research based analytics on financial parameters impacting the business performance

2 Maximise enterprise performance

Helping firms to fine tune strategy by leveraging sophisticated analytics and translating strategy into an executable framework of measurable goals, initiatives and KPIs to drive enterprise performance optimisation.

3 Transforming finance processes

Advising on people, process and technology improvements and help in designing optimal finance structure through process diagnostics and benchmark studies. Partnering with Technology to implement state of art automation solutions.

4 Shared services and outsourcing advisory

Evaluating options for improving finance costs and effectiveness through shared services or outsourcing – and managing the end to end program globally.

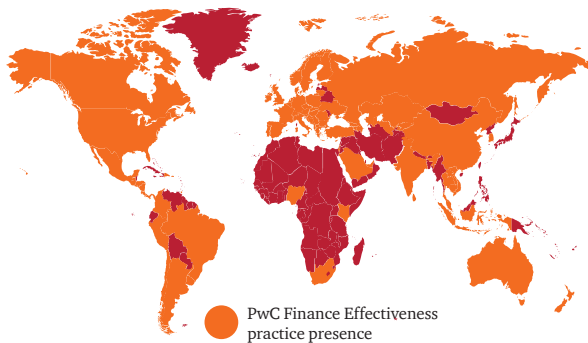
5 Augmenting finance talent and organisation

Assessing and improving finance talent management through innovative L&D programmes and redesigning job descriptions and organisation structures.

Strong track record of supporting client's requirements across industry verticals

Services offered by industry		Industrial products	Retail and consumer products	Financial services	Telecom	Capital projects and infrastructure	Pharma and healthcare	Technology	Automotive	Energy
Partnering with business for growth	M&A due diligence and PMI services	✓	✓	✓			✓			
	PMO		✓	✓	✓		✓	✓	✓	✓
Maximise enterprise performance	Strategic Performance Management	✓	✓	✓	✓			✓	✓	
	Integrated Planning and Budgeting	✓	✓	✓	✓	✓			✓	
	Optimise Management information	✓	✓	✓			✓	✓	✓	
	Costing and profitability management	✓		✓			✓	✓	✓	
Transforming finance processes	Finance function health check	✓			✓	✓	✓	✓		✓
	Finance people and process improvement	✓	✓	✓	✓			✓		✓
Shared services and outsourcing advisory	Shared services & outsourcing advisory	✓	✓	✓	✓		✓	✓	✓	✓
	PMO for shared services set up		✓	✓			✓	✓		
	Finance leadership assessment	✓								✓
Augmenting finance talent and organisation	Enhancing finance acumen of finance and non-finance teams								✓	✓
	Redesigning job descriptions and organisation structures	✓								✓

Our India practice is supported by a strong global network of over 5,000 Finance Effectiveness consultants



Our thought leadership



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