Talent Management – Finance function
Contents

• Background
• Our point of view
• Introduction to finance effectiveness
• Our Offerings
  › Finance Talent Management
  › Finance Organization
  › Finance Change Management
• Conclusion
• Case studies
The 14th Annual Global PwC CEO Survey* indicates that CEOs have taken up the Finance Talent agenda with renewed rigour

The impact of the New Economic Environment on the CFO’s and finance talent role

How can CFOs impart adequate business partnering skills and what should be an optimal mix of technical and business partnering capabilities

What can CFOs do to align their business plans and talent strategy?

How can the CFO help the enterprise anticipate and shape its environment and organization?

* The survey(2011) findings are drawn from 1,201 interviews with CEOs in 69 countries conducted between 6th September and 2nd December 2010.
Having the right people with the right skills is an important foundation for business partnering

- From a finance business partner view, having the financial skills is a fundamental requirement but added to that are the necessary people skills.
- Some organisations are defining their own business partnering recipes of success to give clarity to the skills and behaviours that people are expected to develop.
- Skills development and senior commitment to build the right culture will be required where there are gaps.
- Today’s managers are also expecting finance business partners to demonstrate many new disciplines which are not typically found in existing finance functions.
- These include having the service delivery mindset of a shared service centre, strong relationship skills to manage outsource providers, robust team working and collaboration skills.

Our point of view

- Need of business unit
  - Specialist knowledge
  - Sponsorship

- Business partner

- Finance unit
  - Finance knowledge
  - Data Integrity
  - Strategy knowledge

- Business Unit

- Finance Unit

- Strategic business understanding
  - Business unit knowledge
  - Network of contacts

- Presentation skills
  - Negotiation skills
  - Managing conflict
  - Influencing skills
  - Problem solver
  - Managing change
  - Stakeholder management
  - Consulting skills
  - Listening skills

- Facilitator
  - Empathy
  - Coach
  - Integrity
  - Influencer
  - Trusted advisor

- Finance knowledge
  - Accounting principles
  - Process knowledge
  - Reporting knowledge
To become a business partner a clear vision of how finance supports the business is critical

**People**
- Align talent management practices to finance service strategy

**Technology**
- Ensure that technology is widely used and fully integrated & leveraged

**Risk , Compliance & Control**
- Optimise risk and establish a robust, cost effective control environment

**Finance Diagnostic**
- Assessment of a part or the whole of the finance function (health check)

**Insight**
- Measure, monitor and enhance the effectiveness of corporate strategy

**Efficiency**
- Deliver quality services in a timely and cost effective manner

**Business Transformation**
- Finance function change
A world-class finance function delivers value through its service delivery model by managing multi-dimensions

**PROCESS**
Simplifying and standardizing processes to support efficient, but high quality services

**TECHNOLOGY**
Integrating leading technologies to support the organization

**PEOPLE**
Selecting the right people; developing the right skills and competencies

**ORGANIZATION STRUCTURE**
Adopting the right operating model that is aligned to the corporate strategy and responsive to the business

**MANAGING CHANGE**
Making the desired future state of the finance function a reality – timely and successful transition
**We can help you create measurable and sustainable value for your organisation by proactively embracing the finance people and change issues**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Talent</th>
<th>Organisation</th>
<th>Managing Change</th>
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<tbody>
<tr>
<td></td>
<td>• Evaluating finance talent</td>
<td>• Impact of strategic initiatives on the finance organization structure, job structure</td>
<td>• Delivering sustainable change</td>
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<td></td>
<td>• Imparting soft skills and functional training</td>
<td>• Envisioning finance function structure in line with overall organization strategy</td>
<td>• Implementing performance management(till employee level) aligned with strategic goals</td>
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<td>• Finance Leadership</td>
<td>• Imbibing business partnering skills to the retained organization</td>
<td>• Implementing major change in the finance function</td>
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<td>• Managing talent pipeline</td>
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**Overview: Offerings**
Developing, grooming and training the in-house finance talent is critical to transforming finance into a valued business partner

**DRIVERS**

- Strategy: Global integration, Mobility, Operational model
- Business: Business Transformation, Cost Reduction
- Structure: Outsourcing/ Centralising
- Generation: Ageing workforce, New technology
- Change: Globalisation, Resource scarcity, Changing regulations

**Capability Assessment**

- Developing business partnering capabilities
- Capability assessment
- Build capability gaps
- Learning and development strategies

**Technical Training**

- Our training programs consist of
  - A well defined training strategy
  - Applied learnings from our client engagements
  - Clear linkages with competency development
  - Brings best practices and trainers
  - Brings innovative ideas that will add value to your finance learning programs

**Leadership Consulting**

- Leadership competencies work at individual, team and organisational level
- Leadership is about creating alignment between an individual’s potential, the organization’s work required to do and the competencies needed to be successful

Our detailed approach: 1. Finance Talent Assessment
Creating the right finance organization structure and operating model is imperative to delivering business strategy

### Trends in Finance Organisation Model

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<th>Partnership / Collaborative</th>
<th>Operational</th>
<th>Transactional</th>
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<tr>
<td>• Reskilling</td>
<td>• Modelling Capability</td>
<td>• Process Ownership</td>
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<td>• Business Support</td>
<td>• Data Control</td>
<td>• Single Control Environment</td>
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<td>• Decision Making</td>
<td>• Pool of specially skilled</td>
<td>• Standardisation &amp; Simplification</td>
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### Challenges and Opportunities - Drivers

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<tr>
<th>Strategic Clarification</th>
<th>Structure</th>
<th>Scalability</th>
<th>Alignment</th>
<th>Governance</th>
<th>Span of control</th>
<th>Staffing compliment</th>
<th>Roles &amp; Responsibilities</th>
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### Designing the finance organization

- Developing finance vision, structure, design, & roles principles
- Deploy useful tools and techniques to align finance organization framework to its strategic goals
- Finance Organization target operating model
- Developing continuous improvement framework

Our detailed approach: 2. Finance organization
**Our detailed approach: 3. Finance Change Management**

*Embracing change and managing it; is vital for the finance function to lead the organization in a coherent and planned way*

**Key drivers of change in the finance function could be internal or external to an organisation**

**Internal**
- Restructuring
  - Job Redesign
  - Process or System Upgrades
  - Cultural Change
  - Mergers & Acquisitions

**External**
- Technology
  - Regulatory (IFRS)
  - Compliance
  - Globalisation
  - Legislation

**Managing Organisation Change**

- Developing the change management strategy
- Aligning key stakeholders around transformation goals through communication plans/workshops
- Ascertaining the impact of change
- Aligning processes, systems and technological changes
- Addressing change through capability development, trainings and other focused initiatives
The journey to a world-class finance function is a stepped process

1. Define talent needs
2. Determine service delivery model
3. Critically assess current capabilities
4. Identify areas with greatest improvement opportunity
5. Implement a comprehensive talent strategy driving the business strategy
6. Measure results and reinvest time in value-adding activities
Case study 1

Finance function benchmarking and talent assessment for leading engineering corporation

**Problem statement**
The client was poised for explosive growth over the next 5 years with an anticipation of quadrupling its revenue over that period. The client’s finance function was not initially built for handling such massive growth. The client was keen to know if the existing finance function was in good enough shape to support the business in its growth and whether the finance leadership had the necessary commercial acumen and 'street smart' orientation to act as a strong business partner rather than a mere account keeper.

**Our distinctive solutions**
The approach used was two fold: a benchmarking study of the finance function along with LPA (a psychometric tool) analysis of the Corporate finance team.
- The LPA involved assessing the finance talent around six key dimensions involving their behavior and preferences which would ultimately define their profile both at an individual and team level.
- Benchmarking involved comparing the financial process metrics with global peers and highlighting the gaps required to achieve rapid business growth. The benchmarking leveraged the tools like Global Best Practices® database, FFE Diagnostic Toolbox and Qualitative questionnaires. Finally, the LPA analysis results were linked to the gaps identified in the benchmarking study.

**Impact**
A final workshop was held to share findings and help the finance team collaboratively understand, discuss, decide and come up with common action roadmap for defining the way forward based on the findings generated by the finance benchmarking and the LPA analysis of the finance team. Five key areas of focus emerged from the assignment for the client to take action on:
- 1. Effective business partnering
- 2. Performance management and succession planning
- 3. Developing strategy collaboratively
- 4. Bringing ideas to execution
- 5. Facing change
## Case study 2
### Skills development for F&A staff of a large Indian conglomerate

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<th>Problem statement</th>
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<td>The client has a large F&amp;A team which operates out of a shared service centre and multiple production sites. The F&amp;A organisation did not have a job rotation policy in place and staff members have been working on the same sub-process for a very long time. Lack of experience in the other sub-processes made job rotation extremely difficult. The organisation realised that with the current state it may not be in a position to support business growth.</td>
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<th>Our distinctive solution</th>
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<td>• We, together with the Learning &amp; Development team of the client, undertook an assessment study to identify areas where skill gaps existed. Then we worked with the client to create a charter for the clients F&amp;A academy. The charter included courses at different levels of expertise and roles.</td>
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<td>• The client on its own identified sources for training courses across the different levels. We had the mandate to create basic course content which was industry agnostic and could be deployed across the F&amp;A function. We also have the mandate to create advanced F&amp;A courses which will address client organisation specific context.</td>
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<td>• The scope for basic training included AP, AR, Inventory management, Payroll, Direct Taxes, Indirect Taxes, IFRS, General Business Laws</td>
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<td>• The mode of training delivery for basic courses is eLearning while that for advanced courses is a combination of eLearning and instructor led delivery.</td>
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<th>Impact</th>
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<td>• Easily reference-able courses for F&amp;A staff which can be accessed through eLearning</td>
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<td>• Enabled job rotation and so improve motivation levels in F&amp;A staff</td>
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<td>• The organisation is better prepared to address challenges around attrition</td>
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<td>• The advanced training course is a good repository of current processes and practices in F&amp;A in the client organisation.</td>
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### Case study 3
*Business Acumen training for non-finance personnel of a large Indian automotive player*

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<tr>
<th>Problem statement</th>
<th>The client wanted to ensure that employees secure business acumen and understand the financial impact of their decisions on their respective departments and on the company.</th>
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| Our distinctive solution | • PwC interviewed the management and key people in the organization to determine the requirements, gauge the skill levels and attitude of staff.  
• Based on the findings, the team devised a training program aimed at non-finance managers. The program covered the basics of financial reporting, costing concepts and basic corporate finance pertaining to their respective units.  
• This was imparted to identified key personnel in the company through a combination of e-learning and face to face training sessions  
• This was followed up with devising new objective KRA for the managers which aligned with the overall organisational objectives. Coaching sessions were conducted to explain the their rationale and how the unit’s objectives aligned with the overall organizational goals. |
| Impact | • Non finance managers were better equipped to read their performance and spot early warning signs of their performance  
• KRAs were now more objective and better aligned with other divisions and the organization |