Finance Effectiveness
Enablers
People & Technology

An overview

2012
Agenda

1. Enablers – An overview
2. Our services
3. Case studies
Section 1

Enablers – An overview
Enablers – People & Technology

Enablers is all about:
• People Management
• Systems Management
• Data Management

Our services
• Finance People Management
• Finance Technology

Select Case Studies
• Finance Talent Assessment
• Business Acumen Training
**Systems Management**

**Systems Management:**

The systems architecture of a finance function may vary enormously according to the organisation’s strategy, shape, size, structure and history. However, the way that those systems operate and the value they bring to the organisation are fundamental factors in driving good performance from finance.

**Features of good practice:**

- Fully integrated, leveraged and fit for purpose finance applications are used in all areas of the finance function
- Consistent system architecture that facilitates integration and ease of support
- The minimum number of ERP instances appropriate for the organisation strategy and structure
- Clearly defined common data standards and clearly defined owners of financial data
- There is only one source of data – one version of the truth
- The finance system supports all common recurring processes without the use of separate spreadsheets
- Workflow and collaboration tools are used to facilitate transaction processing
- Where spreadsheets are used they are well controlled
- Manual adjustments are rare
- Processes are in place to monitor and align finance system support and development with business objectives
- Strong system controls with clearly defined risk management framework for access control and segregation of duties
Data Management

Data Management:
Corporate data is a key strategic asset, so managing it and ensuring its quality are imperative. The goal of data management is to provide the infrastructure to transform raw data into consistent, accurate and reliable corporate information. Organisations that address data quality as an integral component of their major system investments (e.g., ERP, CRM) have found that the incremental investment required to address data quality is more than returned.

Features of good practice:
Board-approved data strategy driven senior figures within the organisation.
Data quality management policies covering all aspects of data quality (e.g. data quality and standards definitions, management roles and responsibilities, data classification rules, compliance, security and retention)
Clear ownership of data
High consistency of data
Common codes across the organisation to address data items such as GL codes, service part numbers and Customer numbers.
Performance measures contain data error rates
Data access controls defined for each financial application with Identity Management (read/write access)
Periodic audits of financial data to highlight issues relating to data quality, accessibility and inconsistencies.
People Management

Having the right team of people in place is the heart of success for any organisation and this is equally true of a finance function. In addition to developing new skills, people will need to be supported, motivated and developed in new ways as new finance function organisation models emerge. For example, different challenges of staff development, motivation and retention exist in shared service environments where the focus is on routine processes.

As finance seeks to move towards more of a business partnering model, there will be a shift in the skills and knowledge people in finance will require. Relationship development and business knowledge skills will become increasingly important. Maintaining technical standards is also important, particularly with ever changing compliance and regulatory requirements.

Features of good practice:
Clearly defined career and development proposition including competencies, job profiles, potential career paths, development planning and performance management, learning and development offering
Finance competency framework in place for technical and behavioural skills
A Finance Academy exists to act as a centre of expertise for learning and development, promote sharing of best practices and networking, and implementation of new ways of working and behaviours
People are educated and skilled with both finance and industry experience
Internal and external advanced training is provided to ensure knowledge continues to grow
Rotation through decision support roles is considered a necessary step to advance in the business unit
Transaction processing teams are self-directed and focused on improving customer service and efficiency metrics
Staff are rotated among transaction processing positions and into the business units
Staff are highly cross-trained to absorb fluctuations in demand
External recruitment is used strategically to fill gaps in deep technical skills in certain areas e.g. Big 4 qualified to bring controls evaluation skills

People as change agents:
The people in finance can play an important role in implementing change successfully both within the finance function, and also in delivering sustainable change across the business. Change is most successful when:
There is clear sponsorship, responsibility and accountability for change
The project has clearly defined objectives and benefits
Co-operation between departments is strong
Section 2

Our services
Finance Systems & Data Management

Has technology eased finance operations and is it adding value to the business?

We combine technological excellence with strong finance and performance management expertise to assist clients in realising their enterprise performance management objectives by helping them assimilate enabling IT technologies. Our services span the entire project lifecycle from requirements definition, evaluation, and design through implementation.

Dimensions of data management:
Corporate data is a key strategic asset. The goal of data management is to provide the infrastructure to transform raw data into consistent, accurate and reliable corporate information. Leading organisations address data quality as an integral component of their system investments.
Our services

• Through facilitated sessions with the CFO and other identified personnel from finance and IT, identify the organisation’s maturity in the following areas pertaining to Finance technology – Strategy, Governance, Efficiency, Projects & Transformation, and Data management

• Benchmark systems & data management practices and policies against best practices, identify gaps and analyse root causes

• Design implementation roadmap, articulate benefits and design continuous improvement program

We pool subject matter expertise from our Business Intelligence, SAP and Oracle practices to deliver better value to our clients

Value add

• Greater technology ROI
• Greater productivity, enabled by faster access to records and information
• Better alignment of finance IT with finance’s objectives
• Greater operational excellence in finance function
• Smarter software purchases and stronger relationships with reputable vendors
• Greater application functionality and better allocation of IT spending to critical applications
Finance People Management

Does your team have the capability and competence to deliver?

The world of work is changing.
- Today’s workplace is evolving and coping with various external changes and internal expectations.
- Changing business models, consolidations, ever increasing focus on profitability and shareholder value and changing regulatory norms are propelling organisations to rethink the ‘best’ ways to manage their finance organisation.
- People, thereby become an important aspect for organisations. Developing talent, designing agile finance organisations and managing change have garnered renewed focus for CFOs of leading organisations.

We work closely with our People & Change practice bring in necessary subject matter expertise to our delivery.
Finance People Management (contd.)

Finance leadership assessment

Our services
- Includes defining leadership criteria given the nature of the business and the organisation’s short and long term goals, providing guidelines to short list potential candidates and interviewing candidates for assessing their technical, leadership & interpersonal skills, and assisting the management in choosing the right candidate.
- Conduct leadership potential assessment of ‘second-in-command’ personnel in the finance organisation, identify gaps and devise roadmap to address the same.

Value add
- Well articulated finance vision that is aligned with organisation strategy
- Competent finance leadership that can meet/exceed board expectations
- A finance organisation that brings synergies with the overall organisation’s business model and strategy

Finance talent assessment and management

Our services
- Assess the organisation’s recruitment, appraisal, knowledge management and career planning policies using a combination of structured interviews, interactive sessions, workshops and benchmarking.
- Use of proven tools and methodologies such as Linked Psychometric Assessment (LPA) which help analyse executives behavior and preferences as individuals and as part of a team. This serves to understand the strategy and needs assessment of Learning & Development.
- Best practices (as applicable) will be recommended to better align finance vision and talent management practices.

Value add
- Alignment of finance competency model with existing organisation-wide foundation and leadership competency models
- Best-in-class Learning and Development (L&D) practices
- Performance appraisal linked to Finance objectives
- Greater accountability of finance personnel to prepare and realise their own career paths, taking into account the company’s objectives
- Rewards and recognition processes consistent between divisions and regions while recognising different local market conditions and practices

Finance technical training

Our services
- Through detailed discussions with the senior management, understand the corporate strategy, finance imperatives and talent requirements; Conduct workshops for finance staff to assess technical skill gaps and impart expert training to address the same.

Value add
- In-house talent availability
- Faster assimilation and greater retention of new skills and knowledge
- More productive and skilled employees
- Better use of training spend
- Central L&D resources
- More satisfied employees and lesser turnover
- Reduction in ‘employee error’ rates in the finance function

Finance Effectiveness Enablers • People & Technology
PwC
## Finance function benchmarking and talent assessment

### Client context and challenge
The client is one of the world’s leading engineering corporations with business interests in Power Systems, Industrial Systems, Consumer Products. It is poised for explosive growth over the next five years with an anticipation of quadrupling its revenues over the 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 approach
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. 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. 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. Finally, the LPA analysis results were linked to the gaps identified in the benchmarking study.

### Value delivered
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. Developing strategy collaboratively
2. Bringing ideas to execution
3. Facing change
4. Effective business partnering
5. Performance management and succession planning
# Business Acumen Training

## Client context and challenge
The client is one of the leading automobile manufacturers in India. As part of the EBITDA/ ROCE Transformation program, there was a need to lay the foundation for effective and sustainable change management by enhancing business acumen of senior management team.

## Our approach
- The programs were conducted over a duration of five months to ensure that a gradual cultural shift towards focus on RoCE is achieved at an organisational level. PwC created tailored content around the theme of EBITDA/ RoCE transformation and delivered focused training sessions to enhance business acumen of senior executives.
- Apart from traditional classroom coaching techniques, the program included various group and simulator techniques involving role play, client/ industry/ situation specific case studies and caselets.
- The practice oriented approach of the training programme covered concepts in financial accounting, competition & ratio analysis, risk analysis, enterprise performance management and included:
  - Sessions to appreciate financial implications of business decisions
  - Examples creating alignment of the functional KPIs (MP-CP) to the organizational financial goals
  - Various representative case studies including a group-wise mock presentation to the Board of Directors
  - Understanding how the new costing principles would impact financial metrics and view the changes by analyzing scenarios live on SAP

## Value delivered
The program brought executives from various functions together to understand and appreciate the impact of their operational/ tactical decisions on overall business. The training programs covered 200+ GMs, AGMs & Senior Managers and drew a very favourable response from participants.
Thank you