

OPINION
PAPER

Empowering the contemporary CFO

*A new vision for progressive
finance departments*



Is your finance operation fit for purpose?

Most established finance departments aren't designed to cope with the sheer operational speed, business pressure and pace of innovation that characterise today's world.

New technologies, growing consumer power, mobile applications and the globalisation of opportunity are all radically changing how organisations work, compete and connect. Geographies are flattening as regulators extend their reach, agile new market entrants are jeopardising profits and the threat of reputational risk always lies just around the corner.

Gartner states that: "Facilitating growth and profitability," is now the CFO's main priority*. This highlights how important it is for the contemporary CFO to play a more strategic, business advisory role to the executive board: analysing performance, creating plans that allow the business to thrive and safeguarding reputation.

In brief, it's no longer enough for finance departments to simply support the running of the business. They now need to have a clear understanding of operational functions too, in order to shape the business and drive its growth.

*2013 Gartner Survey

Embrace change or get left behind

Many established financial functions suffer from an inherent lack of pace, scalability and efficiency - which in turn can threaten the success of the wider business in today's high-speed world:

- They're often not structured to run and manage rapid organisational changes or to seamlessly support mergers, acquisitions and divestments.
- Critical business disconnects make cash-flow, compliance, spend and forecasting hard to manage and optimize.
- Duplication, low automation and poor standardisation across typical finance departments breeds inefficiency and creates dangerous multiple platforms and versions of the truth.
- Businesses keep getting more complex yet simplicity is what's really needed to enable vital agility.

So what should an optimal finance function look like?

A new vision for finance.

The best run public and private sector organisations are optimising their processes to deliver a new approach: one that turns finance from a subsidiary, reactive, backward-looking function into a central, proactive, forward-looking one. The aim is to enable the contemporary CFO to:

- **Gain a single view across the business, supported by actionable, real-time business insights.** Finance needs to be empowered to confidently and rapidly drive strategic change. That means monitoring the pulse of the organisation and being able to evaluate both financial and non-financial measures such as customer satisfaction, social media, public relations and shareholder value.
- **Deploy best-in-class tools and technology.** From self-service to robotics and payments solutions, embracing innovation to improve performance is critical.
- **Empower stakeholders and satisfy growing user expectations.** The key is to provide seamless, on-demand accessibility - anytime, anywhere.
- **Accelerate feedback loops, preventing customer complaints and corporate problems from going viral.** Finance teams need to be empowered to monitor trends across the business while tracking social media to contain and fix back-office issues before they impact customer experience and the bottom line.
- **Reduce operational timescales.** Driving a lean, transparent and agile financial function is essential, embedding innovations such as zero-touch automation and context-flexed reporting into the heart of key processes.
- **Instill agility through times of change or restructuring.** CFOs need to focus on ensuring that financial systems and processes efficiently support the business through change.
- **Comply more effectively with regulations.** Finance needs to create robust governance structures, leading to greater financial transparency and accountability.

With this vision in place, the contemporary CFO is able to make financial and non-financial data thought provoking, multi-channel, controversial and interesting; not words usually associated with the finance function.



Four elements of success.

Sopra Steria believes that the new breed of organisation needs to have a smart finance function at its heart - driven by smooth-running, highly efficient processes primed to ensure departmental alignment and support cultural change.

Finance's ability to monitor performance and accelerate change across the organisation needs to be embedded into key roles and systems, turning it from a brake on growth and change to a business enabler and driver.

This requires four fundamental elements to be in place:

1 Open, reciprocal lines of communication.

CFOs need to put themselves at the heart of the business, creating synergy between finance and key departments, using smart analytics to turn dead business data into powerful management insights. That requires key roles across departments from Operations and HR to Procurement, Sales and Marketing to have clear two-way lines of communication into and out of finance.

2 Aligned process flows.

Control and decision-making need to be smoothly applied at the right level and using the right data - empowering operational staff as well as driving up automation. Bringing volumetric and financial data together across departments is where you create real impact.

3 Broad stakeholder engagement.

The supply chain, relevant regulators and market influencers need to see the benefit of the new finance department with clear messaging and routes in and out.

4 Tight integration and control.

There needs to be an effective, tightly integrated control framework across the business, supported by high levels of automation and high standards of data quality and staff training.

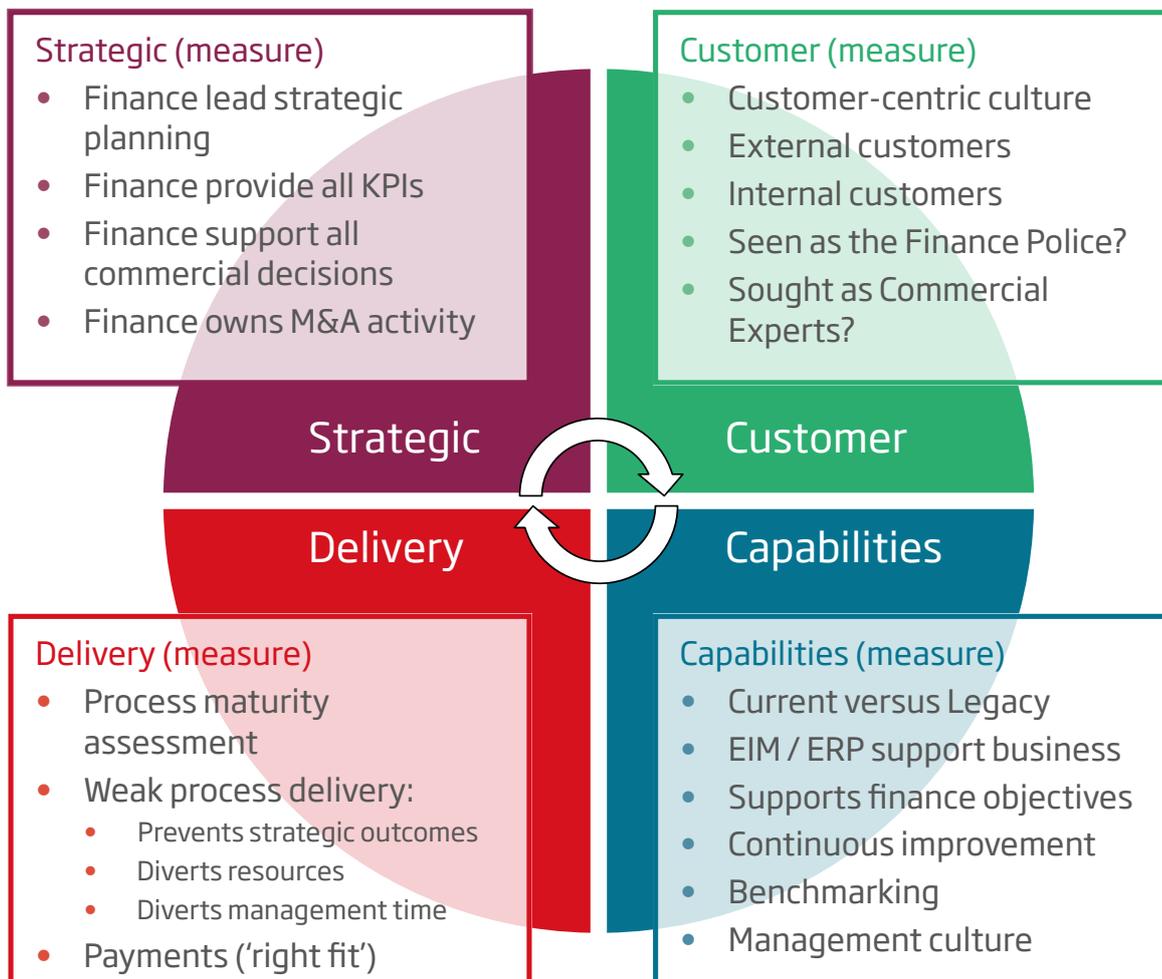
The end goal?

- **Foresight:** For finance to know what the business' problems are - before the business does
- **Readiness:** To be ready for compelling change events. A faster, fitter, more attuned finance department means organisations can seamlessly integrate new acquisitions and handle divestments at pace
- **Stewardship:** To move finance from a passive caretaker role to a proactive stewardship role delivering actionable, accurate real-time information and critical performance and risk alerts
- **Competitiveness:** To support the business to scale at will, seize opportunities and manage issues
- **Cost optimisation:** To optimise working capital and maintain the balance sheet in line with changing needs and stakeholder expectations

How do you get there?

Sopra Steria starts by benchmarking the performance of your existing finance function using our tried and tested Finance Maturity Assessment (FMA). Using our Process Intelligence Methodology, we then use the findings to design a new Target Operating Model and tailored roadmap to plan and implement your journey to your desired future state.

How Sopra Steria puts finance back at the heart of the business.



New partnership models are needed.

Delivering the scale and depth of change required takes the right, hands-on support from expert transformation partners with a proven track-record. Sopra Steria believes that a great partner should have a range of key qualities.

Great partnerships start here.

- **Real-world experience.** Practical, hands-on experience will help the partner to ask the right questions and be more challenging.
- **Mature, proven assessment tools.** A formalised approach to assessment delivers real clarity when benchmarking organisational effectiveness against competitors and evolving business needs.
- **Mature proven transformation tools.** Equally, a formalised approach to transformation addresses the planning, governance, communication, employee engagement and benefit tracking challenges involved in complex change.
- **Independence of thought.** A partner with strong experience and expertise in service design and transformation, but not tied to specific technical solutions or rigid supply boundaries, is vital.
- **To outsource or to retain?** A partner should be able to support the decision-making process to deliver the right balance for your organisation, across your core and non-core business: in-house or outsourced, so you stay in control.
- **Harnessing cutting-edge innovation.** Access to emerging technologies is critical, from new robotics tools which industrialise automation to self-service and smart data enrichment approaches.
- **Proven execution supported by a smart change programme.** The right partner won't just talk, they'll deliver - executing against a defined roadmap to give you fast, tangible results. This is crucially supported by an intelligent change programme which streamlines transformation and aids buy-in.
- **Continuous improvement.** CFOs need to flex their KPIs and measurement matrices to see if there's a better way to measure success as the business evolves. The right experts can deliver this and optimise delivery through structured lean reviews as well as by leveraging industry best practice.
- **See it in action.** A great partner will let you see what operational excellence and lean processing look like by visiting reference sites.



The Sopra Steria way is different.

Sopra Steria is the number one provider of Finance & Accounting Business Process services in the UK*. Why? Because we do things very differently.

Great partnerships start here.

While we have consultants, we're not consultants: we come from a ground-level outsourcing background and go beyond advising to do hands-on work across the transformation journey.

We'll work with you to understand where you are today and define the journey to your Target Operating Model - what we call your Ideal State. That's a model that is customised to your own personal goals, market environment and culture, not a theoretical model.

Sopra Steria can help organisations to make a tight business case for transformation and help change board-level mindsets, which may regard finance transformation as a low budget priority.

We can also help CFOs to retain control and flexibility within an outsourced model and remove anxiety about the scale and cost of the transformation initiatives by providing clear financial milestones and ROI calculations.

Ultimately, CFOs need to champion change and lead from the front when it comes to proving the value of the finance department. Sopra Steria is the perfect partner for that journey.

Look at the results that we're already delivering for leaders like the BBC, Whitbread, the UK Government, and the National Health Service through the world's largest Shared Business Services.

Run smarter, with Sopra Steria.

*Source: Nelson Hall Global BPO Market Forecast 2014-2018

Did you know

Sopra Steria is helping one Swiss Headquartered trading organisation to get greater control over regulatory risk by delivering a service to validate and verify counterparty data.

The expert team at Sopra Steria is here to help. Take advantage of our Shared Services assessment by contacting us today. Simply call the team on +44 (0)845 601 8877 or email us at BPT_Practice@SopraSteria.com and let's get started.

“*There is no doubt that Whitbread's transition to a new way of providing F&A services has been a shining light to the business.*”

Andrew Brothers, Information Systems and Change Director at Whitbread

About Sopra Steria

Sopra Steria, European leader in digital transformation, provides one of the most comprehensive portfolios of end to end service offerings in the market: Consulting, Systems Integration, Software Development and Business Process Services. Sopra Steria is trusted by leading private and public organisations to deliver successful transformation programmes that address their most complex and critical business challenges. Combining high quality and performance services, added-value and innovation, Sopra Steria enables its clients to make the best use of information technology.



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