

CFO Strategic Empowerment Series 1

How CFOs Become Truly Strategic Players by
Deploying the Business Empowerment
Maturity Playbook

CFO Strategic Empowerment Series 1

How CFOs Become Truly Strategic Players by Deploying the Business Empowerment Maturity Playbook

The modern CFO is expected to be the master of the financial data their business produces. Their colleagues' expectations – and their own aspirations – are that they can summon, present and deploy data on demand to stop profit falling between operational cracks. Why then, can just 19% of CFOs describe their organizational influence as “strategic”?

Beyond this 19%, 68% told Ventana Research they simply provide operational level support. This leaves 13% who see themselves as just information providers with no transactional or strategic function at all.

To understand why finance teams are struggling to meet their ambition to be strategic players, we have to examine the roadblocks they face in this journey. One of the key obstacles is that laggard finance leaders are slow to adopt the technology that could help them progress through the [Business Empowerment Maturity Model](#).

Technology can be the key enabler in the transformation process. It can help you to expand your influence beyond finance function, achieve an automated, self-service finance model and become a true strategic player.

Improving finance's function as strategic value creators: The Business Empowerment Maturity Model

The Business Empowerment Maturity Model is a four-stage process to help finance teams understand how to improve the value to their business. It will help you to transition the finance function from compliance and risk minimization, to a new mandate as a strategic partner who maximizes business performance. Your final destination will see you deploy technology that automates routine transactions, speeds up the delivery of information and frees you up to focus on higher-value tasks.

The four stages of the model are set out below with an explanation of how to recognize where you are, what your goal should be to move to the next level, the roadblocks you'll face and how to overcome them.

Stage #1: Standardize - Structured Finance Procedures

Most finance departments handle their basic accounting duties effectively. Despite that, fewer than half of finance leaders effectively manage higher-value tasks such as profitability management and long-range planning, according to Ventana Research. Numerous roadblocks stand in the way:

- Financial processes are unstructured and procedures are ignored. Changes take too long to implement and there is no effective monitoring in place. Poor process design locks you into dealing with day-to-day operational issues and obscures the bigger picture.

- Systems and data are not quick or accurate enough to allow finance teams to effectively advise business managers at the strategic level. You are so overwhelmed by the task of managing multiple systems, spreadsheets and data, often prepared from different applications, that you can't investigate the systems you need to drive real change.
- Fragmented data means there is no clear ownership of information, no insight into gaps and lack of clear workflows.

Standardization overcomes these roadblocks by putting everything onto a single platform, shifting more transactional processes into a shared-services domain.

Integrating the operational and financial systems of an organization provides a comprehensive and consistent picture to all the stakeholders within an organization. This greatly enhances the speed information flows through the business. This enables you to better manage inefficiencies and gain an overview of overall business performance.

Automation is the key-value proposition here. By automating as many finance tasks as possible, you can work smarter and faster, freeing up time for proactive decision making.

Stage #2: Optimize - Efficient Process Execution

Functions that define the performance of a finance department, such as budgeting and financial planning, must operate in a timely fashion. Nonetheless, due to lack of automation, more than one-third of finance departments need more than two weeks to complete the task of comparing their organization's actual results to its budget, according to Ventana Research. The roadblocks that stand in the way here include:

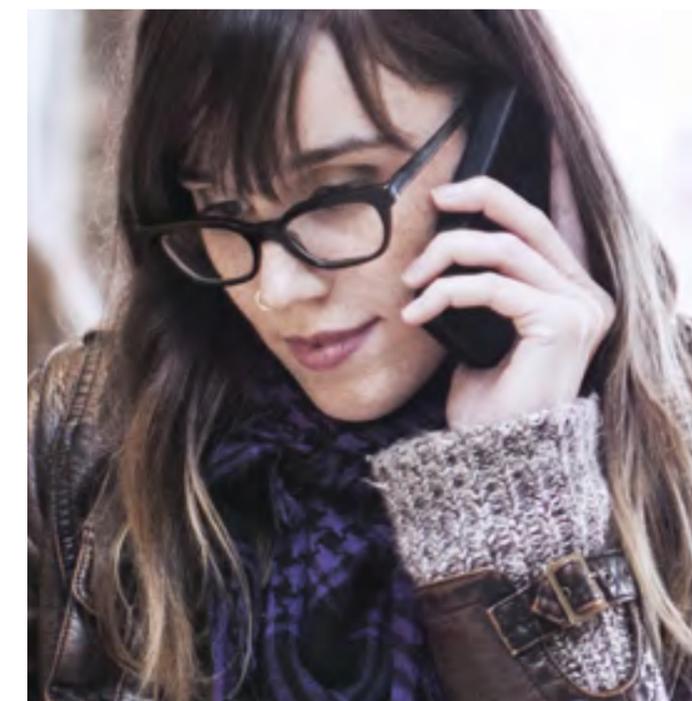
- Heterogeneous systems means there is single version of the truth.
- “Point” solutions that ease the immediate pain, instead of seeking holistic solutions that simplify processes from end to end, increase the IT cost burden and undermine efforts by finance leaders such as yourself to play a more strategic role in the organization.

Companies that understand their position sooner are in a better position to adjust quickly to risks and opportunities. Optimizing the finance function means using dedicated software to organize and integrate data so that you disseminate up-to-the-minute information and produce better, faster insights that are firmly rooted in reality – a single source of the truth.

From there, it's a natural step to continuous reporting. With a technology application such as that offered by Unit4, your day-to-day analysis can now contain the same rich data as monthly or annual reports. Moreover, you can quickly drill down into the details, allowing business managers to act instantaneously on the information provided and minimizing both finance and disruption costs.

Stage #3: Predict - Flexible Real-Time Analysis

With optimized and reliable data in place, you can spend less time on crunching the numbers and more time explaining the implications of those numbers to the business. At this juncture, building on relationships outside of finance is a clear priority. CFO Research reports that 76 percent of finance executives have a growing need to work more closely with the company's operational units in guiding business strategy.



Cloud-based applications are the key to eliminating roadblocks, departmental silos and encouraging 24/7 collaboration. With data residing within the cloud, anyone can access, review and act on information from anywhere and on any device. Collaborative hubs turn stakeholders into contributors and give you and your finance team the inclusive intelligence they need to analyze global data, spot opportunities and evaluate customer insights.

Software that enables this degree of collaboration without requiring changes to the underlying code allows business leaders to quickly adapt as the business changes and engage in long-term business planning.

Stage #4: Drive - Automated Self-Service Model

The pinnacle of the process is the automated, self-service model of the finance function. You can now translate finance into business in order to drive top-line growth because this model frees you from the shackles of low-value manual reporting. Everyone can “know the answers” by accessing accurate, integrated data in real-time from collaborative systems that address the full needs of the organization. Put simply, you raise the bar.

This is the point at which finance data translates into business intelligence that becomes a new business strategy. Analytics -- the process of correlating, forecasting and testing future-business scenarios based on past and existing data points -- takes the process one stage further. Properly mastered, big-data analytics using in-memory data and predictive, pattern-matching tools such as those underpinning Unit4's platform have the potential to help you develop a more accurate profitability analysis and uncover correlations between behaviors and outcomes. The result is a better forecast of results across a variety of simulations. We expect analytics increasingly to fall within the remit of the finance function as you strive to provide meaningful strategy recommendations to management. We expect analytics increasingly to fall within the remit of the finance function as you strive to provide meaningful strategy recommendations to management.

Conclusion

Your finance function is under a mounting imperative to raise its game and deliver forward-looking, line-of-business insights to help managers drive business growth. The idea is to drag you out of your ivory tower

and exploit your unique business oversight and analytical skills in order to elevate your value to the organization.

To facilitate the transformation, a strong data foundation is necessary. The most pressing need is to automate transactions whenever possible and to focus on value-added activities that can unblock bottlenecks and drive the business forward.

Finance-focused technology is transforming at a dizzying pace, and you must look past the “cool” functionality and select the most appropriate technology to deliver each stage of the business-empowerment model. Those among you who select a “best-fit” technology based on its ability to enable end-to-end process efficiency, collaboration, analytics and forecasting - rather than its immediate compatibility with existing systems - can expect to add illuminating insights that empower your business.

Resources:

Financial Executives Research Foundation, Inc and Protiviti [“The Rising Tide of Finance Challenges”](#) 2014

Ventana Benchmark Research, [“The Office of Finance on the Brink of Change”](#) 2014

The Hackett Group, [“2014 CFO Agenda: Recalibrating Finance to Deliver Greater Value”](#)

Accenture [“Empowering Modern Finance”](#) 2014

Association of Chartered Certified Accountants and Institute of Management Accountants, [“The Changing Role of the CFO”](#) 2012

CFO Research [“Shaping The Finance Function of Tomorrow: Finance’s Strategic Mandate - and the Innovations That Will Help Them Meet It”](#) 2013



About Unit4

Unit4 is a leading provider of enterprise applications empowering people in service organizations. With annual revenue north of 500M Euro and more than 4000 employees world-wide, Unit4 delivers ERP, industry-focused and best-in-class applications. Thousands of organizations from sectors including professional services, education, public services, not-for-profit, real estate, wholesale, and financial services benefit from Unit4 solutions. Unit4 is in business for people.

unit4.com

Unit4 N.V.

Stationspark 1000

3364 DA Sliedrecht, Postbus 102

3360 AC Sliedrecht, The Netherlands

T +31 (0)184 44 44 44

F +31 (0)184 44 44 45

E info.group@unit4.com

Copyright © Unit4 N.V.

All rights reserved. The information contained in this document is intended for general information only, as it is summary in nature and subject to change. Any third-party brand names and/or trademarks referenced are either registered or unregistered trademarks of their respective owners.
WP150226INT-5405