

A close-up, artistic photograph of an hourglass. The top bulb is filled with a dark blue liquid, which is dripping through the narrow neck into the bottom bulb. The liquid in the bottom bulb is a lighter, translucent blue. The background is a soft, light blue gradient. The Deloitte logo is in the top left corner.

Deloitte.

How fast is fast enough?
Responsive finance

Together, Deloitte and SAP have built a strong global alliance to jointly deliver strategic advisory and robust implementation services.

Solution

To address the challenges facing today's Finance function, organizations are embarking on transformation programs to deliver their strategic goals.

Deloitte's* Responsive Finance services include three key components to help deliver Finance Transformation—the Four Faces of the CFO, the six Value Drivers, and the Enablers: People, Process, and Technology.

Only through a functionally aligned technical architecture, that is both scaleable and flexible, can process optimization and organization (shared service) opportunities be realized and information produced that enables Finance to become an effective Business Partner. This technical architecture embraces ERP, GRC, EPM, Business Intelligence, and data warehousing.

Together, Deloitte and SAP have built a strong global alliance to jointly deliver strategic advisory and robust implementation. Through this alliance, Deloitte is better prepared to help organizations in their efforts to define and implement Responsive Finance programs, offering a wider range of advisory and implementation related services, along with comprehensive SAP experience, knowledge, and skills.

What's driving change in Finance?

- Recent increases in funding for Finance systems places pressure to add real value to the business. However, cost and global regulation continue to increase, and realizable benefits are slow to materialize.
- New standards such as IFRS require a new approach to regulatory compliance—and a different mindset altogether when it comes to financial data, systems, and decision-making.

- The CFO is expected to help drive the business strategy and should be integral to investment decisions. However, a larger more experienced talent pool is often required for genuine business support.
- Recent regulations result in Risk functions placing increasing reliance on Finance, enabling some synergies. But governance structures often limit the ability for Risk and Finance to work together.
- For Finance to drive value discipline across the organization, a clear link between strategy and budgeting is required. However, planning, budgeting, and forecasting are often piecemeal with no clear link to corporate and Finance strategy.
- Outsourcing and shared service facilities are driving down the costs of Finance's production activities. However, autonomous and decentralized departments inhibit opportunities for value creation.

The Deloitte and SAP alliance

- The SAP and Deloitte Alliance Agreement became effective in 1989, and Deloitte became one of SAP's global top three systems integrators in 2007.
- Deloitte's consulting and SAP implementation services span all aspects of SAP solutions.
- Special agreements exist for ERP, GRC, EPM, Business Intelligence, Office of the CFO, and Banking.

How do Deloitte and SAP add value?

Working together, Deloitte and SAP offer a wide range of services that can enable our clients to understand the challenges to their Finance function. This holistic approach provides CFOs with access to a broad range of services to help them develop a new sustainable operating model that can deliver Finance's strategy and its related benefits.

Setting the direction and making the strategy operational

Deloitte's CFO Framework® is a benchmarking tool designed to help CFOs better understand how their existing Finance operating model performs against each Value Driver and Enabler. This insight can help CFOs define their desired end state and the Finance Transformation required to achieve it.

Optimizing governance, tools, and processes (SAP ERP and SAP BusinessObjects, GRC)

Deloitte has a number of specific methodologies developed to help organizations redesign each component of Finance's capabilities, from process re-engineering and ERP optimization through to technical architectures and data optimization services.

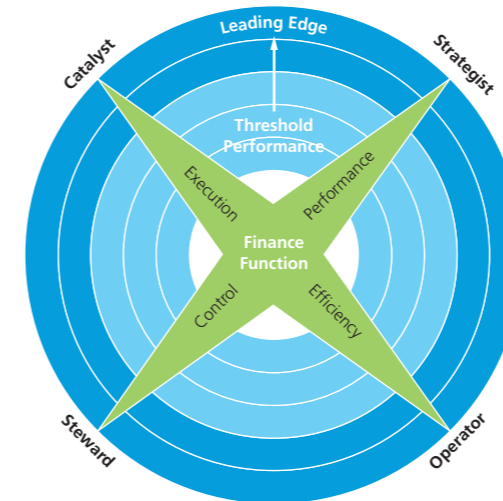
Globalization and compliance

Deloitte is able to leverage its global knowledge of IFRS, US and local GAAPs, and regulatory and tax requirements to help organizations implement integrated systems and process solutions that capture tax, regulatory, accounting, risk, and control requirements in their SAP design and configuration.

Establishing channels and partnering within the business (SAP EPM and SAP BusinessObjects EPM solutions)

As well as reducing cost, one of the key drivers for change is to increase the quality of service provided by Finance to the business. Deloitte's Integrated Enterprise Performance Management services and solutions are designed to help organizations by delivering real insight into effective analytics, management information, and Business Partnering.

A framework for Responsive Finance The Four Faces of the CFO



The modern CFO is expected to fulfill four key roles; Strategist, Operator, Steward, and Catalyst. For a CFO to be successful, they need to ensure they have the right capability in their Finance function to meet performance expectations for each of these roles.

Strategist

Providing financial leadership in determining strategic business direction and aligning financial strategies

Operator

Balancing capabilities, costs, and service levels to fulfill the finance organization's responsibilities

Steward

Protecting and preserving the assets of the organization

Catalyst

Stimulating behaviors across the organization to achieve strategic and financial objectives

Value Drivers and Enablers



To manage effective finance organizations and satisfy demands of the Four Faces, the CFO should assess and optimize the Value Drivers and Enablers of Finance.

Value Drivers (What Finance does to meet stakeholder expectations):

- Value Drivers represent the six high-level areas of activity through which Finance typically seeks to create value for the organization by managing revenue growth, operating margin, asset efficiency, and expectations.
- The CFO is expected to put in place the necessary Enablers to deliver the desired level of performance for each of the relevant Value Drivers.

Enablers (The capabilities to deliver the business of Finance):

There are four related Enablers through which the Finance activities are performed and stakeholder expectations are met: people, process, technology, and organization.

Achieving a Responsive Finance Function

The precursor to achieving a Responsive Finance Function is the assessment of the Finance Function's Operating Model (FOM). Typically a 10- to 12-week project, the FOM assessment can yield the following deliverables:

- FOM guiding principles and constraints
- Stakeholder analysis
- Future state organizational model for Finance
- Confirmed scope of Finance
- Process taxonomy
- High-level Value Driver and Enabler gap analysis
- Agreement on metrics that will be used to measure performance improvements
- Business case and NPV investment appraisal
- System architecture that defines how technology enables the business vision and how the solution fits into the current systems landscape
- Implementation roadmap

Realizing the benefits

Maintaining financial control, timely provision of accurate management and financial information to support business decisions and meet external requirements, implementing an enterprise-wide technology model, and reducing high attrition rates are the most frequently quoted 'must do' priorities for Finance. Consequently, an organization should seek to make the following step changes:

From		To
Process		
<ul style="list-style-type: none"> • Ad hoc • Central decisions 	Governance	<ul style="list-style-type: none"> • Formal • Delegated decisions
<ul style="list-style-type: none"> • Manual • Loose policy • Non standard 	Process	<ul style="list-style-type: none"> • Automated • Globally consistent, tight policy • Standard
Technology		
<ul style="list-style-type: none"> • Duplication allowed • Excessive manual adjustments • No standard reporting architecture • Fragmented divisional system management 	Architecture	<ul style="list-style-type: none"> • Duplication discouraged • Controlled automated interfacing • Agree enterprise reporting architecture • Enterprise-wide system management
<ul style="list-style-type: none"> • Multiple sources of information • Varied data definitions • High data movement • Divisional prioritization 	Applications	<ul style="list-style-type: none"> • Single source of truth • Common data definitions • Minimize data movement • Enterprise change management
Organization		
<ul style="list-style-type: none"> • Decentralized • Skilled staff not aligned to process • High attrition rate 	Organization	<ul style="list-style-type: none"> • Centralized • Skills aligned to process • Low attrition rate
<ul style="list-style-type: none"> • Internally focused • Demotivated-reactive 	Culture	<ul style="list-style-type: none"> • Customer focused • Motivated-proactive
<ul style="list-style-type: none"> • Task focus • Restricted job rotation • Progression restricted by specialty • Local performance management 	Competency	<ul style="list-style-type: none"> • Customer centric • Multi-skilled • Continuous progression • Global performance management

For more information

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