



The Future of Controlling

Partnering, Upskilling, Specializing: Re-inventing the role of the controller for a digital age and capitalizing on new value-adding activities

Controllers have always been a vital support for management in the modern business world. Nobody would deny that reliable planning, forecasting, reporting and fact-based analysis are critical to a company's success. But in an era where the only constant is change, finance leaders in many sectors are starting to recognize that the role of the controller needs to evolve as well. Digital supply chains and new eco-systems are transforming the way companies operate and interact; innovative business models are revolutionizing the market; cost constraints are increasing; and today's technologies pose new challenges as well as opportunities. At the same time, periodic socio-economic crises and new talent management paradigms make it all the more difficult for enterprises to adapt. We can all agree that the pressure on today's finance leaders is mounting, but that pressure can also be converted to energy. It is up to you to use this pressure to your company's

benefit by re-imagining the role, services, capabilities and structure of your controlling function within your organization.

Reshaping the controlling mission is not only about changing and managing new risks; it is also, and perhaps most importantly, about unlocking massive opportunity. When you tap into this potential, your controllers stay ahead of the curve and make sure none of their tasks are absorbed by other functions such as accounting or business management. Technology can help increase productivity, while business partnering offers a better approach to drive companies performance and introduces a strategic dimension to your job description. The role of controllers looks set to become much more proactive, measure-oriented and value-adding, even as they take on the responsibility for automating many aspects of their traditional day-to-day tasks.

This issue of CFO Insights addresses questions about the future of controlling. On a practical level, what does the dynamic of a fundamentally shifting business landscape imply for finance leaders keen to shape this future? Why the sudden need for change? What specific things have to change? And, most importantly, how? [▶](#)

Become a co-pilot – and much more

Controllers are sometimes compared to air traffic controllers. Their job is to monitor, to guide, to warn. But what would happen if aviation operations were to fundamentally change? We can imagine a futuristic scenario when unmanned aerial vehicles become the norm in passenger aviation (a very real possibility in a matter of decades). Revolutionary and highly automated drone aircraft could radically alter the nature of the traffic in the air and on the airport tarmac. The job of an air traffic controller would have to change just as radically and in just as many dimensions as our future controller. Even though they would still be providing the services we know, many of these tasks will gradually be automated. This gives rise to a number of new roles for air traffic controllers as part of their oversight over the automation process. In a sense, they become quasi co-pilots in addition to acting as operators executing and monitoring specialized knowledge-based services, from actively interpreting data to deriving strategic insights. Although this speculative example might be a bit of a stretch, it gives us some idea of the scale of the changes we can expect for the role of controlling in the digital age:



1. Evolve from air traffic controller to co-pilot and business partner: controllers become increasingly important as pro-active and measure-oriented business partners. The role morphs from a behind-the-scenes management advisor into an active change agent, generating relevant business insights to support critical decision-making.
2. Evolve from paper pusher to digital champion: with many traditional core tasks being automated, controllers are now acting as digital service providers, for instance by offering self-service mobile reports or automated forecasts.
3. Evolve from number cruncher to data steward: to orchestrate group-wide data governance, controllers establish standards that ensure data is consistent, of high-quality and easily accessible across the organization, whether it is financial or non-financial data. An obvious advantage given the central importance of data governance in an era of digitalization.
4. Play a critical role in building the all-important new business models of the future: as an enabler for emerging businesses, controllers can develop dedicated mechanisms for planning, reporting, analysis and interventions tailored to the particular needs of innovative business models.
5. Initiate transformative projects in the organization: as a driver of business transformation, controllers provide valuable support for implementation and steering.

There is substantial value waiting to be unlocked in these new roles. As the controllers of the future, it is up to you to acquire new skills, hire new talent and expand your scope. You will be the ones to drive progress and break existing silos, weave networks of collaboration and increase productivity with agile, cross-functional teams.

We have seen organizations move forward in this vein, for example a global automotive OEM that has successfully reorganized for tomorrow by introducing a role-based operating model focused on end-to-end processes and a new model of collaboration. The result: a Controlling setup primed for current and future business models, while also contributing significant added value to the organization. In another example, we saw the controlling team at a global consumer goods company significantly reduce financing costs by changing its set-up. Implementing a role-based and agile network structure with services bundled in specialized centers and automating a large share of processes were key drivers of this success.



Do something new today

What path do we envisage for the future of Controlling? Are we in the midst of an evolution or a revolution? Or will it – as we expect – be a bit of both?

On the one hand, controlling professionals' current tasks will still have to be carried out by their organization – from strategic planning to risk controlling. There are, however, many aspects of these tasks that will either be automated by enablers such as Robotic Process Automation (RPA) or supported in large part by advanced analytics and cognitive methods. This automation approach applies to rule-based processes such as the planning and preparation of budgeting data, consolidation or financial reporting. But it will also encompass more complex controlling activities such as working capital management and risk assessment.

On the other hand, new and significant value-adding aspects will complement the task profile. One of these, as mentioned before, will be the automation itself. After all, someone will have to design, build and maintain the automated services for the Controlling mission. Professional controllers will also be tasked with harnessing the potential of huge data sets generated by the digitalization process. As developers

and drivers of analytics for controlling, they will introduce approaches from predictive forecasting to scenario planning – the latter being particularly relevant in times of uncertainty, such as the current economic climate during the COVID-19 crisis.

New tasks also include the orchestration of group-wide and monitoring as well as control of agile projects. A German utility provider recently offered a great example of the benefits of the new approach to controlling along these lines. After setting up a reporting factory with standardized processes and centralized governance, the company achieved major advances in cost efficiency. We also worked with a global engineering and technology group to introduce AI-driven working capital management based on a cognitive application that automatically identifies optimization potential and tracks measures along the cash-to-cash cycle.

Encourage upskilling

New tasks like these are value-adding activities with huge potential for controllers. However, in order to tap into that, you have to first set the stage and acquire the relevant capabilities. One of the most practical ways to prepare for the future of controlling is to identify the specific

skill profiles needed and make a plan to recruit or re-skill the talent you need. While most of the controller's traditional skills will continue to be relevant, a new skill set will emerge that includes an affinity for technology, expertise in data analytics and exploration, and competence in controlling agile teams.

The controllers of tomorrow will also be equipped with a deep understanding of (new) businesses. Unless they have profound knowledge of innovative markets and products as well as business-specific drivers, controllers can't act as an effective sparring partner for management. Finally, former number crunchers will evolve into expert communicators, using storytelling techniques to deliver their insights in an easily comprehensible and inspiring way. A practical way to foster the new culture in your organization and to train the workforce was demonstrated very successfully by a global automotive and mobility group. Thanks to the Digital Finance Fluency Platform we introduced, which includes an interactive e-learning course on steering digital businesses, we saw the in-house culture completely change and new capabilities come to the fore across the entire group.

Emphasize on specialization, bundling and agile behavior

One critical success factor for the controller's new roles and re-shaped tasks is establishing a suitable organizational set-up that accommodates changing demands and agile behavior. The fact is that the rigid functional compartmentalization of yesteryear is not really conducive to the future of Controlling. There are still widespread silos populated with finance generalists that should be replaced with a role-based organization that assigns specialists to fields such as Design & Governance, Execution & Control and Business Partnering. Currently, most finance organizations concentrate their personpower in the area of Execution & Control, working on and perfecting the delivery of Controlling services. In the future, the FTE split will shift in favor of the third segment, Business Partnering, driven by the increasing automation of controlling tasks. Business partnering can significantly improve focus and agility by nominating a dedicated one-on-one business partner for individual top-level leaders and actively participating in strategy and business model development. For agile business partnering at the team level, organizations can establish cross-functional groups for specific tasks. The way to break the current silos is to introduce end-to-end process ownership across the boundaries of finance and Controlling, enabling continuous improvement along the entire value chain. Special emphasis should be given to bundled service delivery, which represents a powerful efficiency lever. Models such as Centers of Excellence (CoE) and Shared Service Centers (SSC) improve both service quality and cost efficiency. SSCs allow companies to leverage automation with rule-based transactional services, while CoEs bundle specialized services and expert knowledge.

The future of Controlling – and how to get there

For practical purposes, you will need to take a variety of key actions during your journey of transformation on the way to achieving your desired Controlling setup for the future:

- Explore innovation: immerse yourself in the available technology solutions and current trends. Find out what works for other organizations and what might be relevant for you.
- Define your vision and target picture: having a holistic and tangible vision for your organization and a detailed path towards your transformation goals are critical for success.
- Build your ecosystem: operate focused on close collaboration with both internal and external players in order to share insights and work together for more growth.
- Scale the edges: kick-start disruption and add complementary activities in neighboring fields to core controlling tasks, for instance with a special task force or in a think tank. Always make sure that these initiatives remain synced and connected.
- Pick individual target plays: focus on one or two use cases and put them to work right away. The goal is to turn these use cases into a proof of concept.
- Prove it works: the best way to get ahead quickly is with an agile "fail fast" approach around a minimal viable product (MVP). This ensures fast implementation, iterative optimization and avoids the delays typical of the design stage.
- Market your success: secure buy-in from the entire enterprise with a robust communication and change management strategy.

Start your journey now

Transforming the controlling function's mission means handling a lot of moving parts. In order to make your transformation journey a success, experts recommend embarking on mission-critical activities as soon as possible. Once the first proof of concept has been validated, you will be able to achieve tangible results quickly and continuously. Rethinking the role of Controlling in your organization is best approached with a focus on value-adding activities such as proactive business partnering and with the use of cutting-edge technology such as analytics and AI to achieve a significant productivity boost. It's up to you now to expand your horizon, acquire new skills, think outside the box and transform your Controlling team. You stand to reap outstanding rewards as a result.

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