



Special teams: A new way to deploy FP&A

Technological innovations and increasing business expectations are creating an inflection point for finance, planning, and analysis (FP&A). Many CFOs may soon have to make a choice: adopt a new model that expands the function's strategic role, or reduce its footprint as predictive analytics and other value-added capabilities migrate to front-line business units.

To date, the experience of companies with more mature FP&A functions suggests that CFOs are choosing the former approach.

As finance departments explore ways to partner with the business, the FP&A function is emerging, in many cases, as the pointy end of the spear. Its routine work—budgeting, planning, and associated reporting—is increasingly being automated, freeing up resources that can support or even lead to [more valuable work](#), by providing insights on everything from supply-chain and pricing strategies to product and customer analysis.

While many FP&A functions have been evolving in this general direction for some time, the impact of several technologies, from robotic process automation (RPA) to natural language generation, predictive analytics, and a range of self-service and mobile applications, is now so profound that the time may be ripe for senior finance leaders to think beyond mere evolution. In this issue of *CFO Insights*, we pose the question: Is it time to emulate what some leading organizations are already doing, and envision a new operating model for FP&A—one that dramatically elevates its contribution to the organization? 

powered by

The **CFO** Program

Why a new model?

The rapid improvement in the capabilities of several technologies is one factor driving a rethink on how FP&A should be structured, but it's not the only one. Also at play is a growing desire for FP&A to apply its capabilities not only on the cost side of the business, but also on the revenue side—possibly even in real time, as analytical tools allow for teams to access and analyze data almost instantly.

Whether a company gets to that stage any time soon (and some have, as the examples on page 3 make clear), there is little doubt that FP&A can play a larger role as an “influencer,” augmenting data with related business insights that can help drive the top line. To provide FP&A with true influencer status, however, even those CFOs who have worked to tighten the partnership between FP&A and the business may have to step back and ask whether there are better ways to proceed.

In some organizations, for example, this FP&A/business partnership has been achieved by supplying dedicated teams of FP&A to a specific function, market, or business unit leader. While this model has the look and feel of a business-finance partnership, it may pose several disadvantages. For one, it can be costly to supply that type of support to numerous internal clients. Plus, the resulting FP&A processes may vary as each team goes its own way. And since these dedicated FP&A resources are producing outputs for the same team that is giving them inputs, their strategic perspective may be limited.

That's not to imply that there is a single model that organizations should embrace. Rather, the goal is to enhance the impact of the FP&A function by addressing three distinct levers: digital transformation, capability centers, and agile teams. How a particular organization proceeds will depend on its current state and long-term aims.

Driving forces

As mentioned above, one of the dominant forces propelling organizations to consider new FP&A models is the impact of digital technology. High-performing FP&A



functions are operating in a new normal in which three digital innovations in particular are redefining how the function operates, and what it is capable of producing:

- **Intelligent automation**, a blanket term that encompasses RPA (increasingly augmented with cognitive capabilities), advanced natural language generation, and the related tools and processes that transfer manually intensive tasks to machines, often aided by emerging artificial-intelligence capabilities. Even nonroutine work that was once deemed “knowledge-based” is being disaggregated into discrete tasks that various forms of **intelligent automation** (which can do everything from recognizing handwriting and images to monitoring electronic communications and analyzing portfolio performance) can address.
- **Advanced analytics**, which build on the traditional descriptive capabilities of analytics to address a range of predictive and prescriptive needs, and which may incorporate data visualization to bring out insights that may otherwise lie buried in data. Many organizations are focusing on these **advanced analytics capabilities**, both from a talent development standpoint and as a way to move from static spreadsheet-based budgeting analysis to an emphasis on delivering real-time, value-driven insights.

- **Self-service technologies**, often web and mobile-based, that reduce the manual effort required to provide data to various constituencies. As one example, enterprises are increasingly using **chatbots**, which are becoming a familiar form of customer interface for e-commerce sites, to help employees access the information they need—without having to rely on finance or other functional resources to provide it to them. **Visualization** technologies also provide a way for users to intuitively interact with data to meet their basic needs, which frees up FP&A staff to perform more sophisticated analysis.

Individually and together, these technologies can reduce the cost of many core FP&A responsibilities, and may also yield better insights (through data mining and predictive analytics, for example). On-demand and self-service capabilities can also improve decision-making and help the FP&A function achieve greater differentiation, by creating the capacity to decide which parts of the organization receive which form of service, including bespoke, consulting-like FP&A services—a useful step toward developing a more agile FP&A function.

Enter the FP&A capability center

Some of these technological advances, such as RPA, benefit from a parallel development

in FP&A: increased centralization. By centralizing FP&A in “capability centers,” (which should not be confused with “Centers of Excellence,” because FP&A capability centers are designed to provide not only specialized knowledge but also the kinds of consultative implementation/partnering capabilities that represent a significant move up the value chain) organizations can reap many advantages, including the ability to deliver high-value, defined capabilities to a region, business unit, or product family. Centralization also provides an efficient way to leverage both the investments in new digital technologies and the accompanying experience in how to apply them to an expanding array of business issues.

In a sense, creating a capability center for FP&A is a way for companies to have their cake and eat it, too: they can optimize their resources, gaining economies of scale that lower their cost-to-serve, while also enabling their FP&A talent to offer customized services and idiosyncratic processes when required. Teams can specialize on certain capabilities, but also share insights and identify trends across their respective domains, improving FP&A’s ability to provide the kinds of insights that drive top-line growth.

**In-practice:
FP&A capability center**

*Global life sciences organization
(\$50B revenue, 150 countries)*

- Established FP&A centers to perform idiosyncratic, knowledge-based tasks centrally for international markets; differentiated service-levels across countries and business units to maximize return.
- Investing in digital capabilities—visualization, on-demand and business self-service—to enable greater efficiency while meeting local market needs.

Impact: 50%+ of FP&A services delivered centrally; 20%+ baseline cost savings

Go (SWAT) team

With new technologies both automating routine tasks and enabling more sophisticated analysis of the business, and with capability centers providing an organizational construct that allows companies to leverage technology and talent more effectively, the final piece of the puzzle is about agility.

Having created teams that specialize and cooperate as needed, it’s not a big leap to deploy them in different ways. These teams may be distinct from the resources that form the core of the FP&A capability center, and could be structured as follows:

- **SWAT teams**, which may be centrally located (possibly in the capability center), but that are charged with parachuting into a market, project, or product team as needed, bringing with them the many strategic, impactful capabilities FP&A has to offer, in short bursts of intense activity. These teams possess both an intimate knowledge of the business and of the ways in which digital technologies can be used to provide maximum insights. They also have the soft skills—the ability to communicate clearly, cooperate with business unit leaders, and analyze problems from multiple perspectives, among others—needed to tackle problems in a timely way.

- **Clustered business partners**, which are agile teams that serve a cluster or group of markets; resources may be assigned to a single market, but the team may likely work across multiple (or all) markets in the cluster.
- **Market-dedicated business partners**, which comprise one or more agile-team members who are assigned to a market, but who work across all groups within that market (such as commercial, R&D, operations) to provide a more comprehensive view of strategic opportunities.

**In-practice:
Clustered business partners**

*Global consumer goods company
(\$50 to \$100B revenue, 190 countries)*

- Deployed clustered business partners across European markets.
- Leveraged self-service web portals and collaboration tools to enable virtual partnering.
- Services delivered through the clusters, include pricing analytics, gross margin analysis, and business case development.

Impact: Reduced cost of FP&A by 22%; launched a global FP&A drop-page to share best practices and to roll out new digital tools.



Regardless of the specific form of deployment, the model is the same: certain FP&A activities reside in a capability center, with all the benefits that such centralization can provide, while agile teams work closely with specific business partners on their particular needs. One advantage of this approach is that it can provide a mix of stability with agility: teams that work with the businesses may find themselves in a “fail fast and move on” environment that is willing to take some risks to achieve the desired results. But because these teams remain connected to the capability center and “check in” periodically to share leading practices, they help foster the sort of organization-wide awareness about what works and what doesn’t that can provide a baseline of stability. In a rapidly changing business landscape, high-power FP&A resources can become “agile stewards” for the organization, partnering across divisions to bring new insights and financial fortitude.

This model not only enables FP&A to enhance its influence and add more value, but also provides a way for finance leaders to more effectively manage their talent. Experience and knowledge can be more efficiently leveraged across a broad span of business partners, and FP&A itself becomes a more desirable career destination for finance and analytics professionals.

Developing a model around agile teams can also help smooth the peaks and troughs often associated with corporate reporting and strategic planning, by enabling leaders to deploy resources more nimbly. Those same resources can help increase awareness around smaller markets or

products by devoting focus to them as time allows. This economization of talent can be a major advantage, given that top-level FP&A talent can be hard to come by.

In short, agile FP&A teams can provide a way for the function to maximize its efficiency, while still providing highly tailored, bespoke services to the various business partners it serves. They can also provide a way to do more with less, sharing resources across teams, bringing insights across markets, and identifying leading practices across regions.

Getting there from here

For many companies, enhancing the FP&A function and moving it toward a new model will depend on three levers: embracing digital technologies, centralizing a number of core FP&A services, and developing agile teams that can be deployed in one of several ways to make a maximum impact on a particular market, product, or project. There is no single path to make this happen, although many companies will likely focus on the technology and organizational pieces first—centralizing FP&A activities and using technology to address them more efficiently—before adding the agile-team component.

Granted, organizations need to walk before they can run, and while an FP&A operating model that creates a major role for agile teams may not be viable for every organization, it provides a star by which to navigate as companies continue to leverage the power of digital technologies and create a more efficient FP&A function. ◀

This publication contains general information only and is based on the experiences and research of Deloitte practitioners. Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Contacts

Steven Ehrenhalt

Principal, US & Global Leader,
Finance Transformation
Deloitte Consulting LLP
hehrenhalt@deloitte.com

Anton Sher

Principal
Deloitte Consulting LLP
ansher@deloitte.com

Bradley Smith

Principal
Deloitte Consulting LLP
brasmith@deloitte.com

Bradley Kidd

Senior Manager
Deloitte Consulting LLP
brkidd@deloitte.com

Philipp Klingmann

Partner | Finance Consulting
pklingmann@deloitte.de

Thomas Klingspor

Partner | Finance Consulting
tklingspor@deloitte.de

Rolf Epstein

Partner | Finance Consulting
repstein@deloitte.de

Deloitte CFO Insights are developed with the guidance of Dr. Ajit Kambil, Global Research Director, CFO Program, Deloitte LLP; and Lori Calabro, Senior Manager, CFO Education & Events, Deloitte LLP. Special thanks to Scott Leibs, Senior Manager, CFO Program, Deloitte LLP, for his contributions to this issue.

About Deloitte's CFO Program

The CFO Program brings together a multidisciplinary team of Deloitte leaders and subject matter specialists to help CFOs stay ahead in the face of growing challenges and demands. The Program harnesses our organization's broad capabilities to deliver forward thinking and fresh insights for every stage of a CFO's career—helping CFOs manage the complexities of their roles, tackle their company's most compelling challenges, and adapt to strategic shifts in the market.

For more information about Deloitte's CFO Program, visit our website at: www.deloitte.com/us/thecfoprogram.

 Follow us @deloittecf