



AGILITY DRILLS **FOR YOUR CFO**

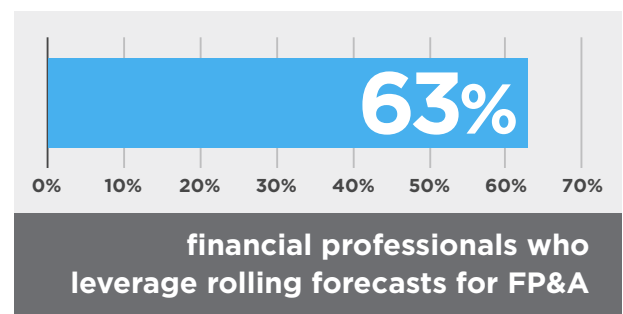
**HOW INTELLIGENT FINANCE TRANSFORMATION
IS ENABLING FINANCE PROFESSIONALS
TO SUCCEED IN NEW ROLES**

The modern Office of Finance is expected to play a leading role in accelerating strategic growth across the enterprise. But the CFO role is not a static one, and it no longer is as clearly defined as in the past. In today's disruptive business landscape, resources and talent are continuously evolving, and **agility** becomes the key to success for the enterprise.

What is an agile CFO? Agile finance leaders possess the ability to use information and skill sets within the finance organization to not only keep the lights on, but also collaborate effectively with other parts of the business and help guide other areas of the enterprise.

As an example, the non-agile approach of annual budgeting is yielding to a more forward-looking strategy of continuous planning. Nearly two-thirds (63%) of survey participants to APQC and the Association for Financial Professionals (AFP)'s **Preparing for the Next Level of Financial Planning and Analysis survey** (free overview, access to full report with membership), leverage rolling forecasts for FP&A.

Because of its role as the purveyor of accounting, financial reporting, and compliance data, finance is the natural hub of a company's efforts to become more agile. "Finance is one of the most standardized areas that technology touches — and people interact with — in



APQC and the Association for Financial Professionals (AFP)'s **Preparing for the Next Level of Financial Planning and Analysis survey**.

a business," said Lane Leskela, Global Finance, GRC & Security Business Development Director, SAP.

The digitalization of finance and the ability to leverage data in real time are critical components to supporting all stakeholders, from board-level decision-making to day-to-day business processes.

"As organizations rethink what finance does fundamentally and philosophically — and then procedurally — technology can be an enabler," according to Rachele Collins, Principal Research Lead, Financial Management, Research Services, APQC.



HOW CFOs CAN BECOME STRATEGIC PARTNERS

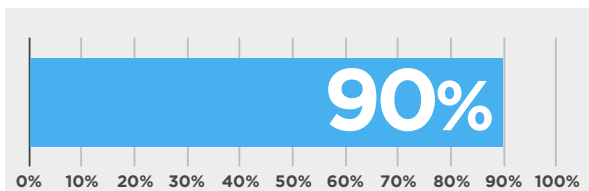
On the journey to greater agility, there are a number of areas where CFOs and other senior finance executives need to move beyond their accounting and reporting roots to become true partners in the business. “There is certainly a lot of disruption within almost every industry, and finance is at the heart of it all,” said Randy

Garrison, Global VP – LoB Finance, Head of Finance Value Advisory, SAP.

One of the key factors driving the expanded role of finance professionals is providing support for new business models. For example, 90% of senior finance executives believe that finance should facilitate collaborative enterprise planning to ensure that operational plans are aligned with financial and strategic plans, according to a recent [Economist Intelligence Unit \(EIU\) report](#), sponsored by SAP.

“Organizations are transitioning from delivering products to delivering outcomes, which is creating new revenue streams and new ways to engage with customers,” Garrison said.

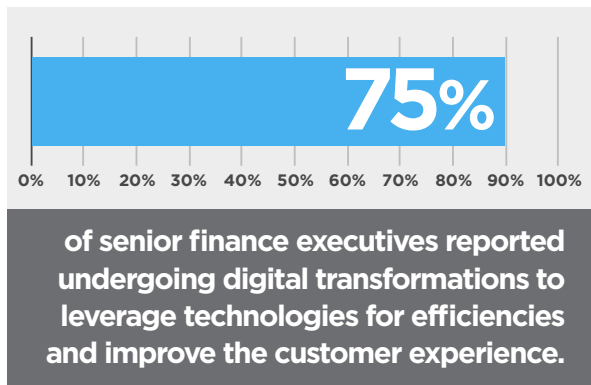
As many companies go through a digital transformation to improve agility, they



of senior finance executives believe that finance should facilitate collaborative enterprise planning to ensure that operational plans are aligned with financial and strategic plans.

Steering Through Collaboration, Economist Intelligence Unit (EIU) report, sponsored by SAP.

discover that it has a direct impact on the customer experience. “CFOs can help the organization think about how much they are investing in this area and the return they are achieving,” APQC’s Collins noted. **APQC’s Process and Performance Management Challenges and Priorities** survey revealed 75% of participants reported undergoing digital transformations to leverage technologies for efficiencies and improve the customer experience. The top drivers of enterprise digital transformation were building efficiencies through process automation, improving the customer experience, and enabling better data management.



APQC’s Process and Performance Management Challenges and Priorities survey

CFOs also need to be continuously evaluating the company’s cash flow and revenue sources as they refresh the business model. This involves analyzing data and trends to adjust the product, customer base, and marketing efforts to get out ahead of

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—RANDY GARRISON, GLOBAL VP - LOB FINANCE, HEAD OF FINANCE VALUE ADVISORY, SAP

the competition and respond to changing consumer preferences.

Connecting and adding value to new areas is an essential function of the modern finance leaders. Areas such as supply chain and customer experience are particularly critical, as they are closely connected to profitability.

The EIU survey corroborates the desire of finance to work with other lines of business to improve the customer experience. More than half (58%) want more involvement in customer acquisition costs going forward, while 48% currently collaborate developing sales strategies by product, geography, or client.

On the supply chain side, 59% want greater participation in negotiations with suppliers and distributions and 47% are currently involved in vendor selection/procurement assessment.

The ability to analyze real-time billing data for trend analysis and preference changes is one example of how the agile CFO can transform the business. A streaming service could examine content downloads by time, place, and demographic to develop specific pricing packages or implement dynamic pricing.

Data visibility and analysis capabilities are key to controlling spending and driving negotiated savings to the bottom line. Agile finance leaders are adept at leveraging supplier networks and consolidating spending to maximize value.

Incorporating external and internal data sources is essential to understanding where the business stands and where it should be headed to maximize profitability. Internally, the finance team can drill down on financial positions such as cash on hand, disposable assets, and liquid and non-liquid assets to improve forecasting accuracy.

Agile finance organizations are able to extend those capabilities beyond their

core competencies to make more accurate and better informed decisions on major business disruptors — new product lines, mergers and acquisitions, and opening up new lines in a particular market, among others. This is where modern finance leaders are able to leverage advanced analytics and other tools to provide strategic value.

As CFOs expand their roles as strategic business partners, communication becomes more important. Finance professionals need to present analysis in the form that decision-makers desire, such as dashboards and other tools. “The opportunity to analyze real-time data in different ways directly within a solution—without ad-hoc manual efforts by others — is massive.” Garrison said.

In addition, CFOs need to ensure that all stakeholders can interact with people and technology in the most efficient manner, i.e., one that supports today’s need for mobile and remote access to real-time data.

Quick take:

Agile finance leaders are sharpening and expanding their analytical functions to support the business while still providing perfect functionality in traditional finance areas such as reporting, compliance, and FP&A.

TECHNOLOGY PROVIDES THE BUILDING BLOCKS FOR AGILITY

Many leading CFOs are driving intelligent finance transformation initiatives that will provide finance leaders with the required agility to meet the evolving challenges of their role. Cutting-edge technology provides key building blocks and infrastructure that the CFO needs to anticipate business change and be agile in responding to internal and external events.

On a basic level, intelligent finance transformation supports improved finance process efficiency and accuracy. Artificial Intelligence (AI) and machine learning can perform manual tasks such as reconciling invoices and payments faster and

with fewer errors, in most cases, than throwing a bunch of people at the job.

This frees up the finance team to shift to higher-value finance initiatives when lower-value tasks are automated. “We are seeing a transformation of Finance roles from being the stewards of information to being the source of insight delivered to the end users at the moment of decision,” Garrison said.

Emerging technology offers improved transparency into data and analysis. The result is more reliable insights into current issues facing the business and forward-looking predictions that inspire greater confidence in the business.



Having a harmonized data source at the core of your intelligent enterprise is a significant undertaking that offers a tremendous payoff. Agile finance leaders strive for a single version of the “truth” that can be leveraged enterprise-wide. “Once you have established a common core of data, patterns develop that, when monitored, provide a high degree of confidence in reliable outcomes,” Garrison said.

With a high level of data confidence, finance leaders can move beyond the backward-looking monthly or quarterly roll-ups to real-time reporting and analysis. In addition, new tools and technologies for finance allow self service interaction for the user and much better data visualization capabilities. More than half (57%) of survey participants in APQC’s [Planning and Management Accounting](#) (membership required) survey currently use data visualization; 37% of survey participants in [Preparing for the Next Level of Financial Planning and Analysis](#) survey use data visualization for FP&A.

“IMAGINE, AT A CFO LEVEL, BEING ABLE TO SUPPORT A MERGERS AND ACQUISITIONS DECISION WITH REAL-TIME SIMULATION THAT PRESENTS A FEW SCENARIOS AND ‘WHAT-IF’ ANALYSES.”

— LANE LESKELA, GLOBAL FINANCE, GRC & SECURITY BUSINESS DEVELOPMENT DIRECTOR, SAP

“Imagine, at a CFO level, being able to support a mergers and acquisitions decision with real-time simulation that presents a few scenarios and ‘what-if’ analyses,” SAP’s Leskela said.

CFOs are no longer only accountants; they are expected to have a seat at the table and provide decision support, like scenario planning, modeling, analyses. Many are making the shift. More than half (53%) of survey participants in the [Preparing for the Next Level of Financial Planning and Analysis](#) (free overview, access to full report with membership) survey leverage scenario planning for FP&A.

Quick take:

Automation supports a more rewarding work environment in the finance function providing increased value to the business with more accurate data and opportunities for in-depth analysis.



HOW INTELLIGENT FINANCE TRANSFORMATION EMPOWERS CFOS

Lastly, in a broader sense, intelligent finance transformation is empowering the CFO to contribute to business success in other ways — supported by leading-edge technology.

The CFO can now focus on serving as a strategic business partner to the business and the board by bringing forward-looking analysis, not just historic data, to the table. “Agile finance leaders are shifting their mindset from looking at

‘moments of truth’ — which are backwards snapshots in time — to seeking ‘moments of opportunity’ to impact revenue growth, develop new products, and manufacture more efficiently, among other strategic initiatives,” Garrison said. “In the past, we’ve focused on making sure the data was right, but that was backward-looking. ‘Moments of opportunity’ are about understanding your business and customers well enough to identify where other opportunities exist.”

As they transform their finance organizations to become more agile and responsive to a fast-paced business environment, senior finance executives will need to redefine the skill set and capabilities of the modern finance function. “Going forward, you’re really looking for data scientists and business architects to help the finance function collaborate with business partners,” according to Leskela. Indeed, data science and analytics was among the top five skills essential for the future finance executive as they move beyond traditional accounting and reporting proficiencies.

Agile CFOs need to have an agile mindset, which has nothing to do

“MODERN CFOS NEED TO APPLY AGILE CONCEPTS USING SMART TECHNOLOGY TO IMPLEMENT OR MAKE MORE EFFICIENT PROCESS MOVES THAT LINE UP WITH AGILE PRINCIPLES.”

**— RACHELE COLLINS,
PRINCIPAL RESEARCH LEAD,
FINANCIAL MANAGEMENT,
RESEARCH SERVICES, APQC**

with technology. “Modern CFOs need to apply agile concepts using smart technology to implement or make more efficient process moves that line up with agile principles,” Collins explained.

Quick take:

With the right people and processes in place, the CFO can evolve planning and forecasting to support a more agile business model.

CONCLUSION

The modern Office of Finance is tasked with strengthening collaboration, productivity, and decision-making across the enterprise. It is a juggling act, as CFOs must simultaneously execute the company's accounting and reporting functions without missing a beat as they solidify their roles as strategic business partners.

For the successful finance leader, it is about improving agility, reducing risk, and increasing value delivered. CFOs must automate routine processes and bring people into the finance team that they would not have considered even ten years ago.

Intelligent finance transformation is the means to developing that agility.

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