Improving finance function effectiveness in IT company

FEATIT

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Content Overview

Effectiveness of finance function
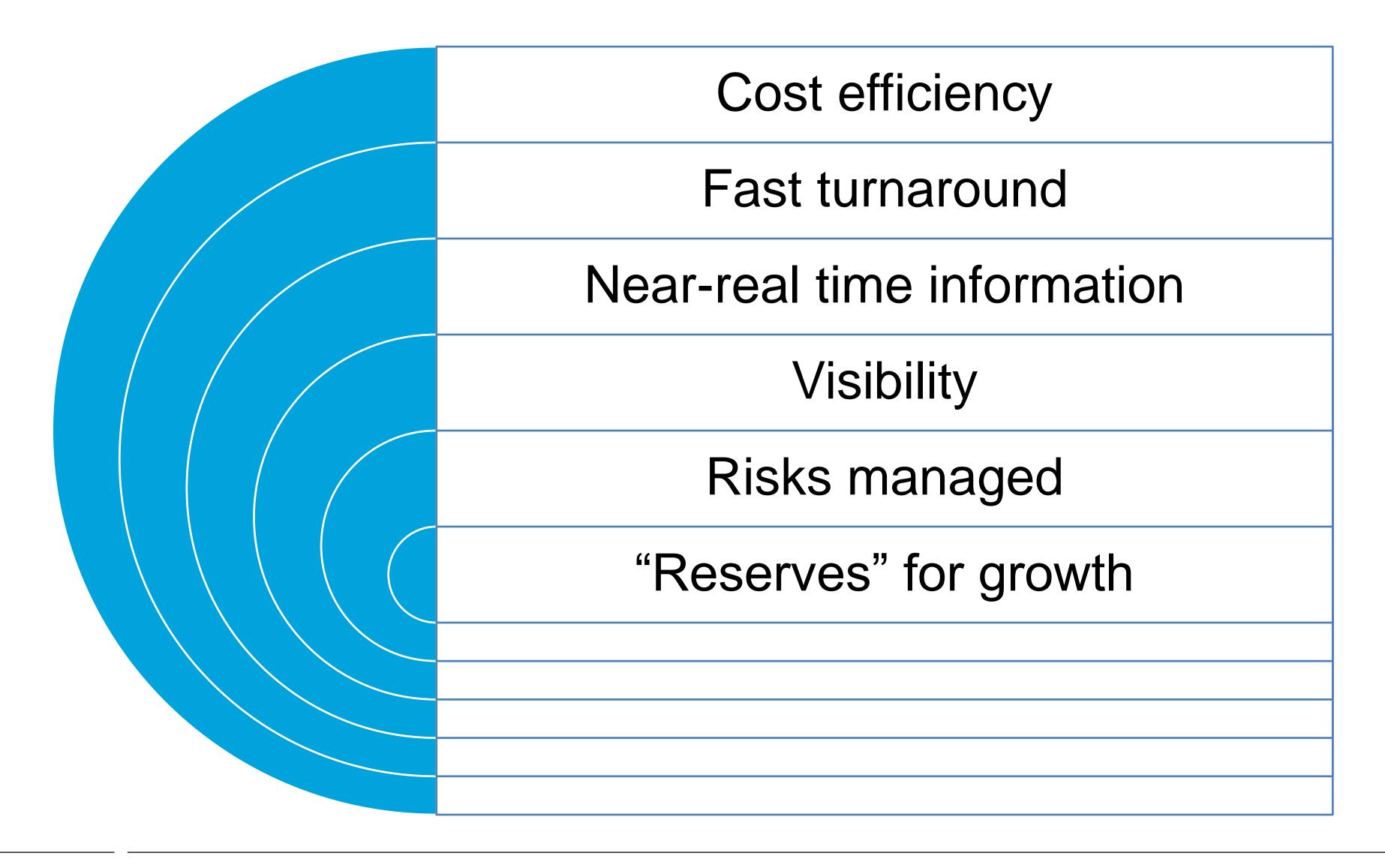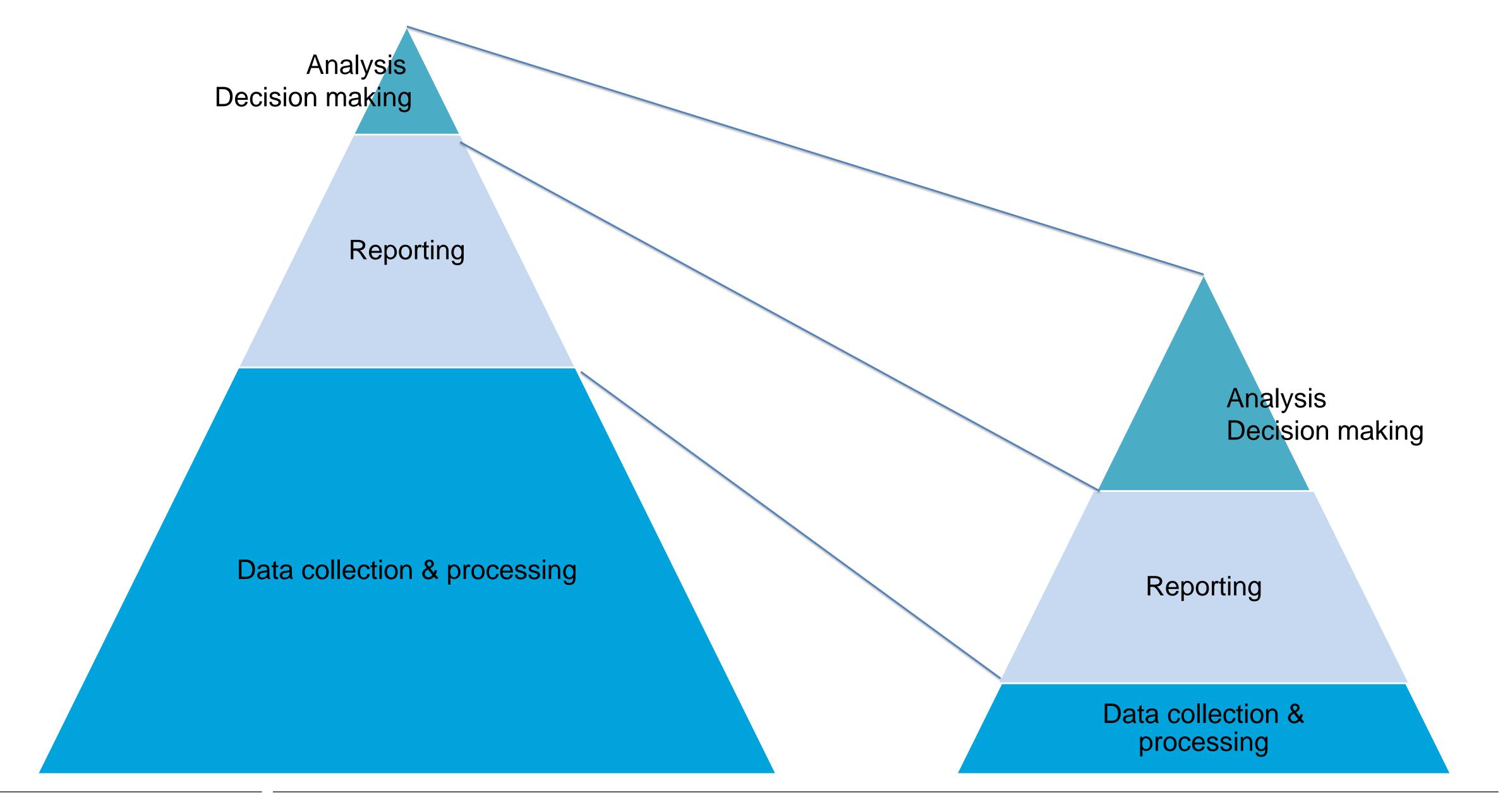
Typical problems

Improving finance function performance

Challenges

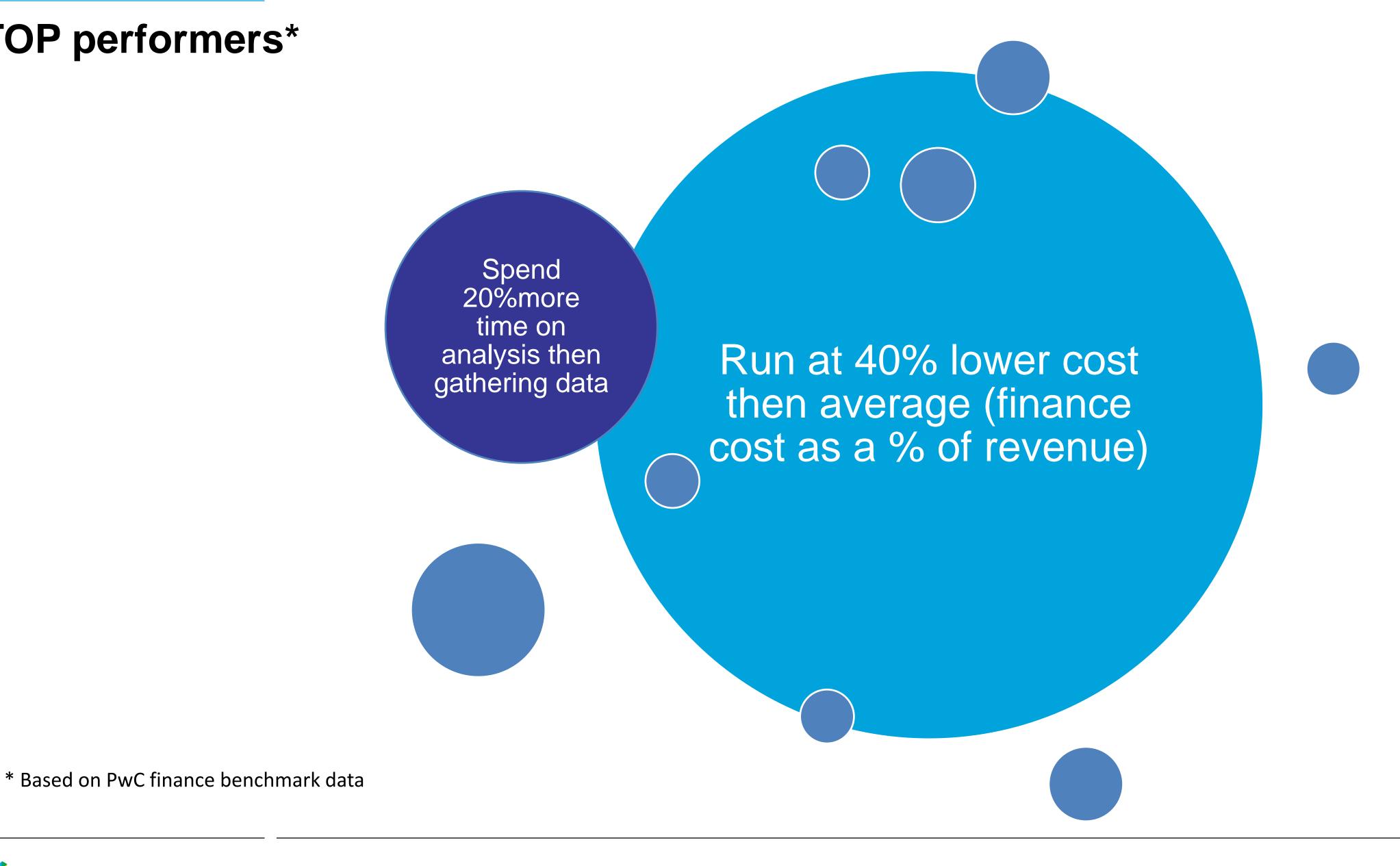**Quick wins**

Effectiveness of finance function

Cost efficiency

Fast turnaround

Near-real time information

Visibility

Risks managed

"Reserves" for growth

TOP performers*

Spend 20%more time on analysis then gathering data

Run at 40% lower cost then average (finance cost as a % of revenue)

* Based on PwC finance benchmark data

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Typical problems of the finance function in IT

Weakness of processes

- Inefficient processes – manual, disproportionate amount of time devoted to transaction processing
- Ineffective manner of gathering information for reporting (insufficient data structure)
- Ineffective and long-lasting reporting process

- Business processes not standardized, harmonized or automated
- Growing demands from external and internal stakeholders
- Lack of understanding of the directions concerning reporting standards

Typical problems of the finance function in IT

Insufficient tools and procedures

- Multiple systems are used
- ERP platform is not standardized
- Absence of formalized policies and procedures

- High cost of finance relative to the value of the service delivered
- Low internal satisfaction with finance services in the company

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How to improve?

Improvement process

Assess "As is"	Design "To be"	Implement	Embed	Improve
Review process, organization, technology, gap analysis	Develop vision of future-state process	Development phase – time line and project plan	Key initiatives around control, training and change mngmt	Design protocols to ensure monitoring and reassessment

You want to improve the efficiency but don't know where to begin…

People	Process	Technology	Data
• Number • Roles • Communication • Location & alignment with other business units	• Bottlenecks • Risks • Efficiencies • Values	• Leveraging financial reporting system	• Reduce time on spent on collection, manipulation and validation

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Rethinking technology and data management

- Less time spent collecting, manipulating and validating data

- Ability to focus on "value adding" tasks

- Decreased time spent on compliance in favour of planning and decision making

- Improved staff retention by managing overtime and increasing ot "true" finance work performed

In the areas of billing and management reporting, over 40% of time spent on activities that could be automated...

Challenges

- Lack of (experienced) resources
- Resistance to change in the organisation
- Insufficient tools
- Trap of using "internal" resources

Quick wins

- Challenge the status quo (process and deliverables)
- Eliminate duplication
- Simplify
- Any automation helps
- Outsource

THANK YOU!